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## 10,000 Refugees Disappear in Chaos at Border

### Clinton Gives Strong Push To Admitting China to WTO

By Brian Knowlton  
International Herald Tribune

WASHINGTON — As Prime Minister Zhu Rongji of China began a delicate state visit to the United States, President Bill Clinton made a strong pitch Wednesday for the country's membership in the World Trade Organization, calling such a move "profoundly in our national interest."

WTO membership has been resisted by some in Congress because of China's trade barriers and human rights practices.

Speaking at a conference of the U.S. Institute of Peace, Mr. Clinton said the United States had "an interest in integrating China into the world trading system" and in seeing it join the World Trade Organization on "clearly acceptable commercial terms."

He said: "Getting this done and getting it done right is profoundly in



Prime Minister Zhu charming an audience in Los Angeles. Page 2.

our national interest. It is not a favor to China. It is the best way to level the playing field." Chinese membership, he added, "will give us broad access to China's markets while accelerating its internal reforms."

Although he gave no indication of the timing of the next U.S. step in the process of China's WTO application, Mr. Clinton issued one of his strongest defenses yet of a policy of engaging with Beijing.

"The bottom line is this," the pres-

See TRADE, Page 2

### Trade Ruling: A Notable U.S. Victory

#### But Europe Also Scores in the Long-Running Banana Dispute

By David E. Sanger  
New York Times Service

WASHINGTON — The World Trade Organization has handed the United States a significant but only partial victory in its long-running dispute with the European Union over banana trade, authorizing Washington to impose \$191 million in sanctions against European-made goods.

The EU responded Wednesday by saying it would abide by the decision while reserving the right to appeal.

The \$191 million figure was the WTO's estimate of the damage done to American companies because of Europe's elaborate quota system that

favors the import of bananas from its former colonies, instead of from Central American nations where Chiquita Brands International Inc. and other growers are major players.

The United States had argued that the damage was far higher, amounting to \$513 million, and began collecting 100 percent tariffs on many European luxury goods early last month.

The trade organization's far lower estimate of damage done to American companies is based on a different, more conservative formula than the one employed by the Clinton administration.

That was a victory for Europe, whose officials have charged Washington with exaggerating the effects of its rules.

At the same time the panel of WTO judges determined that Europe's revised rules governing imports amounted to nothing more than a rewriting of the old rules and an effort to avoid compliance with several of its past rulings.

"We will naturally abide by the rules applicable in the case of such decisions, as we have consistently said we would," Sir Leon Brittan, the European trade commissioner, said Wednesday in New Delhi, where he was visiting.

But he added that the EU would "reserve our right of appeal," Agence France-Presse reported.

The U.S. retaliation, Sir Leon said, "has been and remains largely illegal, as it is set at a level well over double that determined by the arbitrator."

The United States, he said, "must now in any event immediately end sanctions and the threat of sanctions on over half the trade currently subject to them."

The bottom line of the decision Tuesday, however, is that the trade group's panel found in favor of the United States, ruling that much of the sanctions were valid.

"Time is running out" for the Europeans to comply with the organization's mandate, said Peter Scher, who directs agricultural negotiations for the U.S. Trade Representative's office.

Charlene Barshefsky, the U.S. trade representative, said that the WTO decision "sends a clear message" that Europe could not use a lengthy legal process to buy time, keeping its restrictions on imports in place.

"This is the fifth time in six years that an international trade panel has found the EU's banana policies to be in violation of international trade rules," she said.

The oddity of the United States declaring victory over Europe in a long-running economic dispute while trying to hold the same European nations in an alliance in the Kosovo crisis is somewhat jarring, a dissonance that was rarely seen in the days of the Cold

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The countries hit hardest by the crisis, Indonesia, Thailand and South Korea, have concentrated on short-term assistance to alleviate unemployment.

But the ILO concluded in a report last year that only a small proportion of the jobless could expect assistance through the employment-creation programs under way in those countries. The International Labor Organization estimates that as many as 25 million people may have been laid off as a result of the economic crisis that began in Thailand almost two years ago.

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# At First U.S. Stop, Zhu Sets an Informal, Humorous Tone

By Joseph Kahn  
New York Times Service

LOS ANGELES — China's prime minister, Zhu Rongji, started his visit to the United States determined to defuse rising tensions between the two countries with a businesslike agenda, trade concessions and an ample supply of good humor.

Mr. Zhu, who runs China's government on a day-to-day basis but ranks third in the Communist Party hierarchy, is, at age 70, the sprightly star of China's taciturn leadership team. This trip promises to test his often-praised skill for communicating with the West as goodwill in U.S.-China relations, which was affirmed with President Bill Clinton's visit to China last June, has all but given way to restrained hostility.

Mr. Zhu wasted no time setting the tone. Moments after stepping off his plane Tuesday, he jumped a security line

to shake hands and exchange pleasantries with reporters. In the process, he firmly pushed aside one of his guards, a possibly calculated gesture of defiance to the notion that Chinese leaders almost always observe during public ceremonies.

Mr. Zhu's nine-day, six-city tour will be slightly longer than a state visit in 1997 by his boss, President Jiang Zemin, but is due to be far less ceremonial.

Besides attending to the terms of China's entry into the World Trade Organization, he has scheduled numerous meetings with business and banking leaders around the country, and he will seek to address nearly every major issue in bilateral relations, including China's human-rights record, its environmental pollution, its huge trade surplus with the United States and charges that its agents have pilfered American military secrets.

During a brief stop in Los Angeles, Mr. Zhu met with civic leaders and rep-

resentatives of the local Chinese-American community, the largest in the country. He also had a private meeting with Michael Eisner, chairman of Walt Disney Co., which is considering two Chinese cities, Hong Kong and Shanghai, as possible sites for the next Disneyland in Asia.

Bone-chilling drizzle and scattered protests by people seeking independence for Tibet and Taiwan marred Mr. Zhu's arrival. So did his tardiness at a lunch at the Century Plaza Hotel, where civic and business leaders waited more than an hour past the appointed time for Mr. Zhu to take his place on the podium.

But those setbacks did nothing to shake the prime minister's upbeat message. In fact, he used them as fodder for a stream of self-deprecating jokes that are his trademark.

"God does not welcome me that much because it's raining today, and I know that it was very sunny here yesterday."

he said at the start of his luncheon re-

marks.

Speaking in Chinese entirely without notes and with scant trace of the boilerplate phrases about friendship and warm relations that usually dominate Chinese diplomatic statements, Mr. Zhu used much of his opening speech as an apology for his late arrival.

He chided Mayor Richard Riordan of Los Angeles and Governor Gray Davis of California, saying they had to shoulder at least "half the blame" for his lack of punctuality. Both men had arranged telephone calls with Mr. Zhu and used that time to raise weighty issues, he said.

"They asked so many questions, and I could not refuse to answer," he said.

The mayor, he said, pressed him on China's gaping trade surplus with the United States. China exported \$57 billion more than it imported from the United States last year, giving it the second-

largest trade surplus with the United States, after Japan. Mr. Zhu said he had prepared a speech on the issue for delivery next week at the Massachusetts Institute of Technology, but had no choice but to indulge Mr. Riordan's curiosity.

The prime minister then teased Mr. Davis for expanding the 10-minute call to a 30-minute debate on human rights.

"I explained that to do this properly we should start with Rousseau and the human-rights declaration of the United States," Mr. Zhu said to laughter. "I spent a long time explaining my views. But whether or not he is satisfied, I don't know."

Whether such banter will do much to soften the criticism of China's policies heard from many members of Congress, religious groups, labor unions and national-security experts remains to be seen. But Mr. Zhu seemed primed to disperse hostile audiences.

## Thailand Studies Death of Boy, 4

BANGKOK — Thailand on Wednesday reported its first death based on symptoms of viral Japanese encephalitis near a pig breeding area in the central region.

Savit Phonlarp, director-general of the Livestock Department, said the authorities were trying to establish whether the Monday death of a 4-year-old boy in Lopburi Province was indeed linked to the encephalitis virus.

"I don't want the public to be alarmed," he said. "The health authorities are looking into the issue. The encephalitis can be caused by various kinds of viruses."

At least 91 people have died in neighboring Malaysia, and more than 600,000 pigs have been slaughtered there to block the spread of the Japanese encephalitis disease and another mystery virus. (Reuters)

## U.S. Jets Spooked Japanese Horses

TOKYO — Racehorse breeders received 37 million yen (\$306,000) in compensation for animals spooked by the noise of U.S. fighter planes involved in a U.S.-Japanese military exercise, the Japanese Defense Facilities Administration Agency said Wednesday.

The 13 breeders said the noise of the jets on Nov. 4 and Nov. 12, 1997, frightened their horses, leading them to injure their legs by crashing against fences. Some of the animals miscarried, said Toshinobu Saitoh, a spokesman for the agency's Sapporo branch office.

The United States will reimburse the agency for 75 percent of the compensation, he said. (AP)

## Church Massacre Toll 25, East Timor Bishop Says

Compiled by Our Staff From Dispatches

LICUICA, East Timor — At least 25 people were shot or hacked to death in a massacre Tuesday by anti-independence militia fighters backed by the Indonesian army, Bishop Carolo Belo, the Nobel peace laureate who is East Timor's spiritual leader, said Wednesday.

In an emotional news conference after he inspected a church where the killings took place in the town of Liquica, the Roman Catholic bishop condemned the violence, saying he was "ashamed to be an Indonesian."

Bishop Belo said the death toll had been confirmed in a letter from East Timor's military commander, Colonel Tono Suratman, who accompanied him with journalists to Liquica under heavy guard on Wednesday.

The Reverend Rafael dos Santos, Liquica's parish priest, said hundreds of armed militia members fired at about 2,000 terrified villagers cowering in his house and the church. Hundreds fled when security personnel released tear gas.

"When they ran outside they were chopped down by the militia with swords," the priest said.

Dozens of Indonesian police officers fired into the air or simply watched the carnage take place, he said.

The priest said he saw only two dead victims, an old man and child, both badly mutilated. But he quoted witnesses as saying that an army truck later made three visits to the site to take away bodies.

The ground outside the church and inside the priest's house remained splattered with blood Wednesday.

In Jakarta, the rebel commander Xanana Gusmao said his supporters had been "killed like animals." He accused the military of trying to cover up the

extent of the killings.

Escalating violence in the former Portuguese colony has undermined UN plans to hold a July ballot for East Timor's people on whether to remain part of Indonesia as an autonomous state or to break away altogether. After the killings Tuesday, Mr. Gusmao called for "a general popular insurrection" in East Timor.

"I can say that this is a massacre," Bishop Belo said. "We are entering the third millennium, but after this incident we are back in the Middle Ages."

The bishop, speaking at his home in Dili, East Timor's capital, called for calm and demanded that President B.J. Habibie investigate Tuesday's violence, the latest in a string of clashes between armed groups either for or against independence from Indonesia. It annexed East Timor, formerly Portuguese, as its 27th province in 1976.

The bishop, who won the 1996 Nobel Peace Prize, also demanded that the international community help prevent more violence in the territory.

Portugal's envoy to Indonesia, António Gomes, called for an international inquiry after meeting with Mr. Gusmao, who is under house arrest, in Jakarta.

"We feel an international investigation would be necessary to establish what happened in Liquica," he said.

"An international presence is absolutely necessary in East Timor," he said, "to calm the tension and to deter the violence, from whoever is intending to launch it."

Mr. Gusmao, through his lawyer, on Tuesday also called for a UN peacekeeping force in East Timor to halt the violence. But the Indonesian military commander, General Wiranto, rejected the call, insisting that problems in East



Members of a militia group opposed to independence patrolling with makeshift weapons near the massacre scene. (Sam Moulton/The Associated Press)

Timor were "internal concerns."

In New York on Tuesday, the United Nations also rejected the calls for a peacekeeping force, but it expressed concern over the violence.

President Jorge Sampaio of Portugal accused Indonesia of seeking to cripple efforts toward finding a negotiated solution for East Timor by inciting violence.

The clash occurred after thousands of villagers forced their way through a military barricade that kept them from marching into Singkawang, a town near the western coast where 70 villagers have been detained, the private SCTV television station said.

It quoted Colonel Chaerul Rasyidi,

chief of the local police, as saying that three people had been killed.

The angry villagers were stopped about five kilometers (three miles) from Singkawang.

The 70 were arrested Monday amid fresh ethnic violence against immigrants from Madura Island by local Dayaks and Malays in Indonesia's West Kalimantan.

The Dayaks, who are Muslim, were captured while attacking Madurese and burning houses in the region.

More than 200 people have been killed in the violence that began in mid-March. Thousands of Madurese have fled their homes.

## TRADE: Clinton Gives Strong Push to Admitting China to WTO

Continued from Page 1

Mr. Clinton warned American politicians "in a political season" not to revert to a Cold War mentality toward China because of controversies over human rights, trade and alleged spying at U.S. nuclear laboratories.

He displayed unusual empathy with the problems facing the Beijing leadership as it attempts broad economic reforms, saying that the Chinese were just as wary of U.S. intentions as Americans were of the Chinese.

The leadership under Mr. Zhu and President Jiang Zemin is "committed to making necessary, far-reaching changes," Mr. Clinton said, by working to reform banks and state enterprises and fight corruption.

But Beijing labors under grave fears that reform, in the short run, will bring higher unemployment, leading in turn to unrest, he said.

The United States, Mr. Clinton said, must seek to bolster the cause of reform but realize that China is coping with "the kinds of problems a society can face when it is moving away from the rule of fear but is not yet firmly rooted in the rule of law."

"We can't do that," he said, "simply by confronting China or trying to contain her."

China is depicted by some Americans as a huge economic opportunity, by others as a looming military threat. Mr. Clinton said, "It has the resources to take the latter road, he said, but it is 'far from inevitable' that China will choose this path.

"We should not make it more likely that China will choose this path by acting as if that decision had already been made," he said.

Even while remaining prepared if China chooses the militaristic path, Mr. Clinton said, "Let us not forget the risks

of a weak China, beset by internal conflicts, social dislocation and criminal instability."

■ Offers to Reduce Barriers

Paul Blustein of The Washington Post reported earlier:

In the weeks leading up to Mr. Clinton's speech, China's negotiators continued making offers to reduce major trade barriers before Mr. Zhu's arrival in Washington.

China has come close to meeting U.S. demands to open its markets to key agricultural products, according to people familiar with the talks.

In Los Angeles, where Mr. Zhu arrived Tuesday, it was announced that China would lift barriers to U.S. citrus fruit and wheat from the Pacific Northwest. Beijing has restricted imports of citrus fruit because of concerns about infestation by the Mediterranean fruit fly and has restricted wheat shipments because of a mold problem.

Those restrictions have been a major source of irritation for U.S. agricultural producers and a big sticking point in the World Trade Organization talks.

But U.S. officials and industries sources familiar with the negotiations said the Chinese had moved fast toward satisfying the demands of U.S. industries and producer groups. Beijing has tentatively agreed that it import quotas and license requirements, which have applied to thousands of products, would be scrapped except on all but a handful of goods.

China has also offered to lower tariffs, which currently average about 17 percent, to an average of about 10 percent, officials said, although it is balky at lowering tariffs as far as the U.S. side wants on chemicals, pharmaceuticals and a few other products.

A White House official said Wednesday that the United States and China would sign a civil aviation pact Thursday that would double passenger and cargo flights between the two countries, news agencies reported.

Lael Brainard, a White House official who specializes in international economic issues, said the agreement would allow a fourth U.S. airline to enter the Chinese market and enable more U.S. cities to have direct air service to China.

In Beijing, state media said China Telecom, the country's largest telecommunications organization, was to be broken into four companies in a major step toward opening up to market competition. Agence France-Presse reported.

The agency listed 36 models of aircraft, with between 9 and 39 seats, when it outlined proposals for the timely expansion of all multiengined airplanes that carry paying customers. (Reuters)

## TRAVEL UPDATE

### Lenin Tomb Reopened

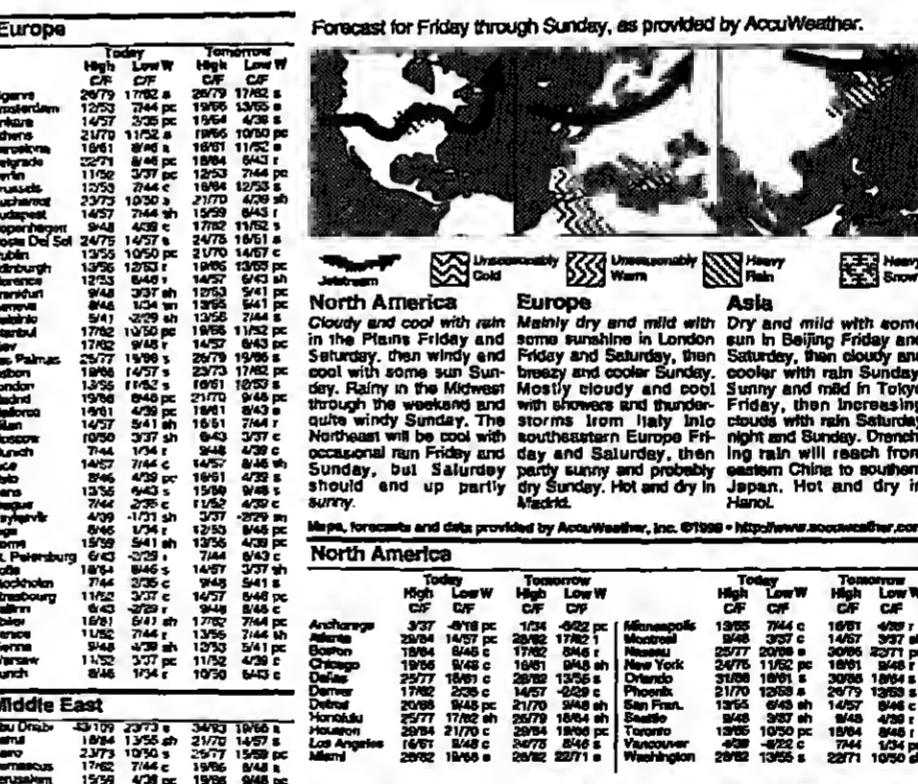
survey showed 57 percent of Russians support a burial. (AFP)

Small-Plane Safety

WASHINGTON — Older commuter airplanes would be required to undergo inspections for structural fatigue cracks just like large passenger aircraft under proposals issued by the Federal Aviation Administration.

The agency listed 36 models of aircraft, with between 9 and 39 seats, when it outlined proposals for the timely expansion of all multiengined airplanes that carry paying customers. (Reuters)

## WEATHER



Map, forecasts and data provided by AccuWeather, Inc. ©1999 <http://www.accuweather.com>

Legend: ☀ sunny, ☁ partly cloudy, ☁-cloudy, ☁-shower, ☁-thunderstorms, ☁-rain, ☁-snow, ☁-hail, ☁-weather.

Source: AccuWeather.com

Map: AccuWeather.com

Forecast: AccuWeather.com

Source: AccuWeather.com

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## THE AMERICAS

## U.S. Halts Nuclear Lab Computers

By James Risen  
New York Times Service

WASHINGTON — The Energy Department says it has suspended all scientific work on the computers containing America's most sensitive weapons secrets at its three nuclear weapons laboratories over fears that security lapses make the computers vulnerable to espionage.

Energy Secretary Bill Richardson said he ordered the suspension Friday as part of an effort to improve security following allegations that China has stolen nuclear secrets from the labs. Beijing denies the spying accusation.

Thousands of scientists and other researchers at the Los Alamos, Sandia and Lawrence Livermore national laboratories who rely on the classified computer networks have been forced to drop their work and instead attend new training sessions on computer security, Energy Department officials said.

The computers are connected together in networks but are not linked to the outside world. Since the United States stopped testing nuclear weapons, the work of modeling the reliability of weapons designs has been done with these networks.

One security flaw, according to officials, is that secret information about nuclear weapons can be copied from the sensitive computers onto a computer disk.

and then sent as electronic mail among the thousands of e-mails that leave the laboratory through separate, unclassified computer systems. One proposal is to "make it physically impossible to transfer classified information from a classified computer to an unclassified computer," according to a statement released Tuesday by Los Alamos officials.

Mr. Richardson said he would not allow normal computer operations, except those needed to ensure safety, to resume until he was satisfied that security had been improved.

"The message is that I am dead serious about strengthening security at the labs," he said. "Our computer security has been lax, and I want to strengthen it, and the only way to do that is to stand down. I want to demonstrate to Congress and the American people we are serious about upgrading computer security at the labs and that there will never be another lapse."

The decision to suspend all work on sensitive computer networks at the three laboratories is one of the most pointed actions taken by the Clinton administration since the furor erupted last month over allegations of Chinese atomic espionage.

It also follows an internal review by the Energy Department, owner of the labs, which determined that security measures at Los Alamos and Lawrence Livermore were subpar. Los Alamos and

Lawrence Livermore both received "marginal" security ratings, while Sandia received a satisfactory rating, according to the report released last week. The report cited Los Alamos management for failing to "ensure that members of their organization implement, support and follow safeguards and security customs and beliefs." (NYT)

The classified computer networks at the weapons labs are not connected to the Internet, and they are thus not supposed to be vulnerable to hacking by outsiders. The possibility of secret data being downloaded from the classified networks and then entered into the unclassified network and e-mailed to the outside is a key security concern, according to one U.S. official.

The lab plans to impose new audit procedures on unclassified computer systems in order to control sensitive information. Los Alamos will also require that two people be involved in the transfer of files from classified computers.

But John Browne, lab director at Los Alamos, cautioned that the labs cannot allow security to become so stringent that it prevents them from accomplishing their objectives. "We have to look at threats to information security from a risk-benefit standpoint and put in place additional procedures that make sense," he said. "We can't raise the bar so high we can't get any work done. That affects national security too."

## Away From Politics

• Mayor Rudolph Giuliani of New York is distributing cards to police officers instructing them to be a little more polite in their dealings on the street. The wallet-size cards recommend that officers "use terms such as 'Mr.', 'Ms.', 'Sir' or 'Ma'am,'" and "respect each other's cultural identity, customs and beliefs." (NYT)

• A San Francisco Judge cut in half a landmark \$50 million punitive damages award against Philip Morris Cos., but excoriated the tobacco giant and denied its request to retry the case of a former Marlboro smoker who contracted lung cancer. (LAT)

• Louis Farrakhan is recovering well from surgery and is ready to leave the hospital, according to his supporters and doctors, who held a news conference Tuesday in Washington following reports that the 65-year-old Nation of Islam leader was seriously ill. (WP)

• A white couple has filed a malpractice lawsuit in New York against the doctors they say were responsible for an embryo mix-up that resulted in the wife giving birth to a black baby when she delivered twins. (AP)

• A manhunt for the killers of three tourists in Yosemite National Park is focusing on a cadre of prison parolees with a history of sex offenses, drug arrests and weapons convictions. (LAT)

## Smoking Risk Starts Early

## Young Lungs Found to Be Especially Vulnerable

By Denise Grady  
New York Times Service

NEW YORK — Smoking during childhood or adolescence may lead to lasting or even permanent genetic damage in the lungs that increases the risk of lung cancer, even after the smoker quits, researchers said in findings published Wednesday.

The developing lungs of young people may be especially vulnerable to cigarette smoke, the scientists found. They said their research linked the amount of damage to the age when people started smoking, regardless of how many years they smoked or how recently they had quit.

The scientists, from the University of California at San Francisco School of Medicine, said the findings were particularly alarming, given the number of teenagers who smoke.

"If we're right," said Dr. John Minna, who led the research effort, "it says that something happens in adolescence that changes you, perhaps forever."

The findings, published in the *Journal of the National Cancer Institute*, are based on an analysis of blood and tissue from 143 lung cancer patients. The researchers looked for alterations in DNA that are known to be caused by tobacco and to be linked to cancer. Levels of

alterations, called DNA adducts, were lowest among patients who had never smoked. In former smokers, they were somewhat higher, and in people who still smoked, higher still. But in ex-smokers, the highest levels were found in those who started smoking as children or teenagers, regardless of when they quit.

The study did not compare the patients' adduct levels to those of people who do not have lung cancer. Nevertheless, other researchers said it was an important and surprising finding.

Dr. John Minna, a lung cancer specialist and director of the Hamon Center for Cancer Research at the University of Texas Southwestern Medical Center, said the DNA adducts measured by the researchers were a good indicator of the genetic damage caused by smoking.

"Right now about half of new lung cancer cases are occurring in former smokers," Dr. Minna said. "If it turns out that a very brief period of smoking during adolescence, or starting then, will have this long-lasting effect in terms of cancer development, even if you stop at a young age, that is absolutely frightening."

Cancer experts had thought that smokers who began as children or teenagers had higher cancer rates simply because they had been smoking longer. The new findings, Dr. Minna said, "suggest something entirely different."

## Missouri Votes to Keep Concealed Weapon Ban

The Associated Press

JEFFERSON CITY, Missouri — Voters in Missouri have decided to keep the state's ban on carrying concealed weapons, despite a \$3.7 million campaign by the National Rifle Association.

With 99 percent of the votes counted early Wednesday, Proposition B, which would have lifted the ban, had failed, 52 percent to 48 percent, or 674,378 votes to 625,689 votes.

Opponents said voters were not swayed by the gun lobby's pitch.

Missourians have said they just do not want guns carried into football games and bars and schools," said Harry Wiggin, a state senator from Kansas City who opposed the measure.

The referendum Tuesday was the first time a state had put the question of concealed weapons before voters. Thirty-one other states allow citizens to carry concealed guns, but those measures were enacted by legislators.

Missouri banned concealed weapons in a crackdown on gunslaying in 1875, when the bandit Jesse James was still at large. He was shot to death seven years later in St. Joseph by a member of his gang.

Under Proposition B, state residents would have needed a second permit to carry a concealed weapon. Applicants for a permit would have had to have records free of violent offenses for at least five years, to undergo criminal and mental health background checks and to take at least 12 hours of state-approved training.

Supporters had said allowing law-abiding people to pack guns would keep criminals guessing.

Critics had said Proposition B would penalize law-abiding citizens and lead to more firearm violence because of the requirements on training, eligibility and a permit applicant's past history of violence.

Although the measure was approved in 91 mostly rural counties, it failed by wide margins in St. Louis and Kansas City.

Nearly three out of four voters in St. Louis and a similar percentage in the city's suburbs rejected the proposal. In Jackson County, which includes Kansas City, 61 percent voted "no."

The NRA paid for 700,000 mailings, 60,000 yard signs and huge advertising buys on television and radio.

## POLITICAL NOTES

## Bush's High-Octane Fund Drive

WASHINGTON — Governor George Bush of Texas is assembling the most ambitious Republican presidential fund-raising effort ever, hoping to raise \$20 million more than the previous record by capitalizing on his father's national money network, his own contribution-rich Texas base and financial aid from his fellow governors.

The Bush mobilization has featured a procession of more than 400 fund-raisers — a who's who of the Republican rich and powerful — flying to Austin to hear his pitch.

Former President George Bush is making phone calls for his son and Tuesday night headlined the campaign's first fund-raiser. And the Bush team is courting the top money men with a special program, "The Pioneers," for those who pledge to bring in \$100,000 within a few months. Sources said more than 200 people had already signed up.

Much of the \$50 million Mr. Bush wants to collect will be raised by the end of this year, in a nine-month dash fueled by his desire to capitalize on his front-runner status and a front-loaded 2000 primary calendar that will see the Republican nomination decided by March. The Texan's strategy is also premised on the prospect of a Democratic rival, Vice President Al Gore, who has embarked on his own plan to break the fund-raising record. (WP)

## Gore Runs Into Unfriendly Ads

LOS ANGELES — Vice President Al Gore has concluded another whirlwind trip through California by rounding up more political cash, showcasing his views on education and getting his first taste of just how intense the battle for votes in this huge state will be in the 2000 presidential campaign. For proof of that, he had to look no further than the nearest television set.

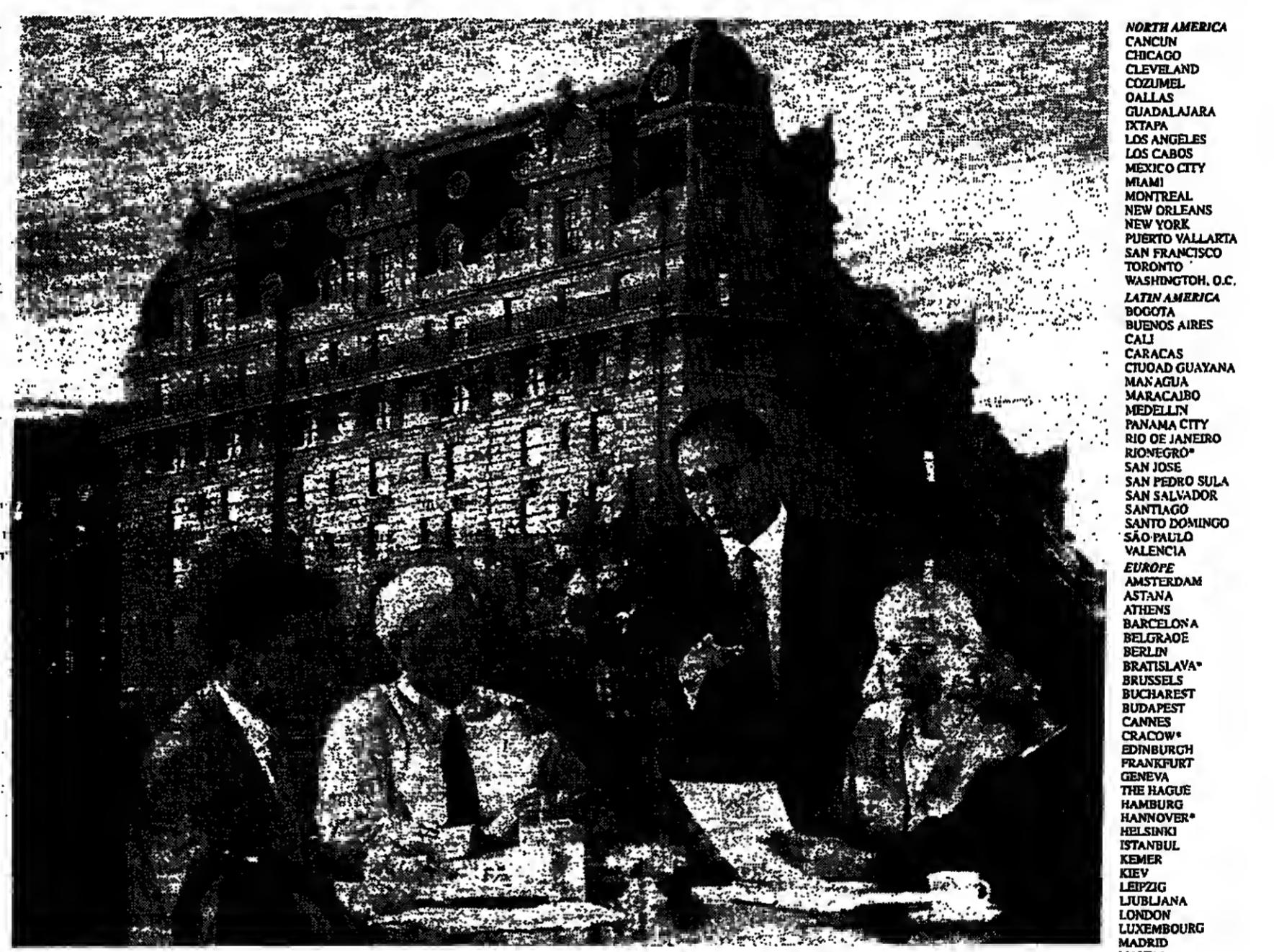
Already, the kind of political advertising that often makes or breaks candidates trying to win over California's approximately 33 million residents has begun, earlier than ever.

After campaign-style events Monday, Mr. Gore traveled Tuesday to the computer corridor of Silicon Valley and was greeted for the first time by ads mocking his recent claim that he played a vital role in creating the Internet. The ads, paid for by the Republican Leadership Council, are running 50 times a day this week on the four major networks in the San Francisco Bay area.

And 55 Silicon Valley executives who are Republican and 55 Silicon Valley executives who are Democratic bought a full-page ad in the San Jose Mercury News praising Governor George Bush's education record. (WP)

## Quote/Unquote

Dan Payne, a Boston political consultant, on a plan to allow Democratic Party donors of \$100,000 to spend a weekend, but not the night, at the Kennedy family compound in Hyannis Port, Massachusetts: "It's sort of irresistible, if you can afford it, to get a peak into how the royal family lives and plays. For some people, an affiliation with the Kennedys is sort of a life goal." (AP)



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SANTO DOMINGO  
SAN PEDRO SULA  
SAN SALVADOR  
SANTIAGO  
SANTO DOMINGO  
SAO PAULO  
VALENCIA  
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EDINBURGH  
FRANKFURT  
GENEVA  
THE HAGUE  
HAMBURG  
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Helsinki  
ISTANBUL  
KEMER  
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LEIPZIG  
LJUBLJANA  
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## EUROPE / INTERNATIONAL

# Russian Prosecutor Takes His Case To Parliament — and They Listen

**He Accuses Yeltsin Aides of Thwarting His Corruption Investigation**

By Michael Wines  
New York Times Service

**MOSCOW** — The Communist-controlled lower house of Parliament listened raptly and with obvious pleasure on Wednesday as a rebellious criminal prosecutor accused President Boris Yeltsin's aides of trying to derail for political reasons his inquiry into high-level corruption at the Kremlin.

The prosecutor, Yuri Skuratov, said little that has not been said before in the long-running battle between himself and Mr. Yeltsin, who has now fired him twice. But neither did he do anything to erase an ominous sense that the struggle had gained a life of its own, and that Mr. Yeltsin — and the nation — are headed into a political crisis of uncharted depth with no clear outcome.

That was only underscored by the forum.

The lower house of Parliament, the State Duma, is where legislators will decide next week whether to impeach Mr. Yeltsin on charges stemming from the collapse of the Soviet Union and the subsequent withering of its economy and democracy.

In his brief speech to Parliament, Mr. Skuratov said the controversy surrounding his inquiries had "gone beyond the framework of the personal and concerns the destiny of law and order in the country."

"One cannot but notice that there is now a clearly visible process of remov-

ing undesirable — more important, people of principle — in the power structures," he said. "It is impossible to say exactly what methods and financial means will be used to further discredit me and to further obstruct the prosecutor's office in its fight against corruption."

Mr. Skuratov, an ally of the Communists who hope to impeach Mr. Yeltsin, was seen as a rather undistinguished prosecutor until the president fired him in February, only to see the Parliament unexpectedly override his decision.

He has since become not just a rallying point for opposition to the president, but something of a martyr. Mr. Skuratov has said little specific about official corruption, beyond hinting that high officials benefited from contracts for Kremlin repair work given to a Swiss firm called Mabetex.

But he has also become a rallying point for discrediting him by broadcasting a video tape on state television of his involvement with two prostitutes produced a backlash which forced Mr. Yeltsin to fire the official said to be responsible for the broadcast.

Mr. Yeltsin decreed last week that Mr. Skuratov was suspended pending the outcome of a criminal investigation of the affair with the prostitutes, who were hired — according to some reports — by a banker seeking to thwart inquiries into his own misdeeds.

But Mr. Skuratov struck back this week. His office issued warrants for the arrest of Boris Berezovsky and Mikhail

Smolensky, two of the business tycoons known as oligarchs who amassed fortunes during Mr. Yeltsin's early days as president and were important backers of his 1996 reelection campaign.

Both men are outside Russia and beyond the reach of Russian law, at least for now. Mr. Berezovsky said Wednesday that he planned to return to Russia next week.

In his appearance at Parliament, Mr. Skuratov charged that the investigation of his supposed involvement with prostitutes was itself illegal, ordered in the dead of night by someone in Mr. Yeltsin's office.

The Moscow city prosecutor, Sergei Gerashimov, seemed to confirm that, saying one of his aides had been summoned to presidential offices during late hours last week and given statements from the prostitutes which formed the basis for an inquiry.

Interior Minister Sergei Stepashin gave an entirely different view. He warned that outsiders "should not confuse concrete criminal cases with political moves," and argued that Mr. Yeltsin had legal authority to suspend Mr. Skuratov while an inquiry is in progress.

#### ■ Berezovsky Vows to Return

Mr. Berezovsky pledged to "be in Moscow next week," in response to the warrant for his arrest on allegations that he laundered hundreds of millions of dollars from the airline Aeroflot. Agence France-Presse reported from Paris.



The prosecutor, Yuri Skuratov, addressing the State Duma on Wednesday. He has become a rallying point for opposition to Mr. Yeltsin.

AP Wirephoto

"To hide out in Paris, if that's what you could call it, is not the proper solution," Mr. Berezovsky said at a news conference at the Hotel Crillon. "What is needed is a symbolic act to underline that right will prevail," he added.

Mr. Berezovsky controlled Aeroflot

for several years, according to Russian media reports.

The one-time Kremlin insider has also been charged with abuse of office while holding a series of senior government posts, and of engaging in other illegal business activities.

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## INTERNATIONAL

## Argentine Peak Yields 500-Year-Old Mummies

By John Noble Wilford  
New York Times Service

NEW YORK — After climbing to the 22,000-foot summit of a volcano in northern Argentina, archaeologists have found three frozen Inca mummies, 500-year-old remains of a ritual sacrifice, which are so well preserved that blood is still present in the heart and lungs.

The bodies of two girls and a boy were buried beneath 5 feet (1.5 meters) of rock and dirt, amid a cache of statuettes, pottery and ornate textiles associated with human sacrifice in the Inca religion.

They had apparently been frozen since immediately after death. Two of the mummies were in such excellent condition, physicians said, that their internal organs were intact. It was as if they had died only recently.

Archaeologists and other scholars said that the findings should yield important insights into the religion and the worship of sacred mountains in the Inca empire, which spanned most of the Andes and the western coast of South America at the time of the Spanish conquest in the early 16th century.

They said the mummies and artifacts were even more impressive than the discovery of the Peruvian "Ice Maiden," another frozen body of an Inca sacrifice found in 1995.

The new discovery, made on Mount Llullaillaco, at Argentina's border with Chile, was announced Tuesday by Dr. Johan Reinhard, an American archaeologist and mountaineer who led an American-Argentine-Peruvian expedition

supported by the National Geographic Society. He described the mummies and other finds at a news conference in Salta, Argentina, and in a phone interview.

"The preservation of the mummies is just fantastic," Mr. Reinhard said. "It's eerie looking at the arms. You can still see the light hair on their arms."

He said they were the best preserved of any mummy he had ever seen. In recent years, he has climbed mountains in Argentina, Chile and Peru and come down with 18 mummies, all apparent sacrifices to the sacred mountains.

Physicians so far could not establish how the three individuals, probably between 8 and 15 years old, met their deaths.

As far as the explorers could determine, the mummies and other offerings to the Inca gods appeared to have been undisturbed through the centuries.

Gold, silver and shell statuettes, from 2 to 7 inches (5 to 18 centimeters) tall, were arranged on the burial platform just as they probably were for the ritual sacrifices. Half of the statuettes were clothed. Other artifacts included pottery, some of it still containing food, and bundles of alpaca textiles that appeared to establish the sacrifice victims as elite members of the society.

"The undamaged female has a beautiful, yellow geometrically designed cover laid over her outer mantle," Mr. Reinhard said. She also wore a feathered headdress.

At about the 17,000-foot level, the expedition found the stone ruins and ceramics of a camp where participants in the rituals presumably stayed before the final ascent to the peak.

"From a scientific point of view," said Dr. Craig Morris, an Andean anthropologist at the American Museum of Natural History in New York City, "these artifacts and the base camp are at least as important as the mummies in determining the meaning of these rituals."

The textiles, for example, were expected to provide clues to the status and ethnic origins of the young people chosen for human sacrifice.

Dr. Richard Burger, an archaeologist of early Andean civilizations at Yale University, said that the preservation of the bodies gave medical scientists an opportunity to conduct more revealing tests of the diet, health and genetics of the victims.

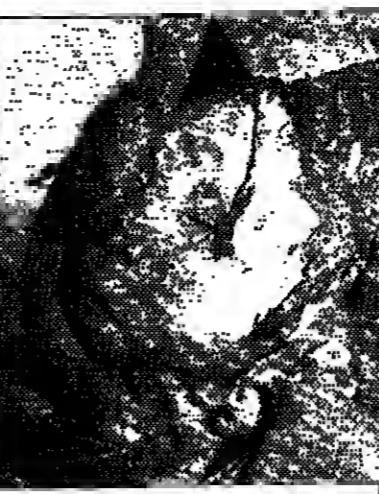
The blood should lead to DNA studies of the genetic composition of these people.

These and other recent discoveries, Mr. Burger said, were important as established cases of *capac cocha*, or human offerings, by the Inca because there had been a suspicion that the Spanish conquerors had exaggerated their accounts of such practices, as well as cannibalism and odd sexual mores, to justify their conquests.

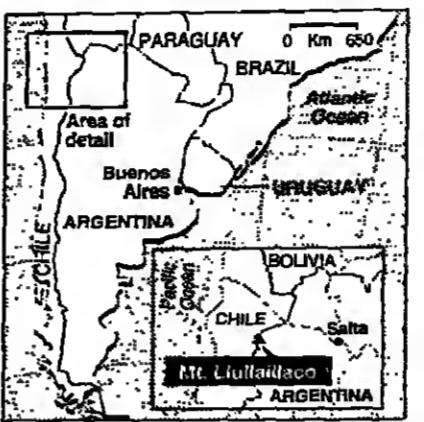
Mr. Reinhard had explored Mount Llullaillaco several times before, mapping ruins and trying the trail to the top. Last month, the expedition battled driving snow and winds near the summit. "We had several days of finding nothing," he said. "I was about to give up."

On March 16, the team found the first burial. One of the workers had to be lowered into a hole by his ankles so that he could pull the mummy out. Then they found the two others.

One of the mummies had been damaged by lightning, but the two others were undamaged.



The face of one of three mummies found at the summit of a volcano.

How the Libyans Were Brought In  
Secrecy Shrouded the OperationBy Judith Miller  
New York Times Service

UNITED NATIONS, New York — The operation was intricate, complex and above all, secret. No one except Hans Corell, chief legal counsel for the United Nations — not even Secretary-General Kofi Annan — knew the details surrounding the logistics for the surrender of the two Libyan suspects charged with planting the bomb that downed Pan Am Flight 103 over Lockerbie, Scotland.

In interviews, Mr. Annan, Mr. Corell and other senior diplomats described eight months of intense political and logistical maneuvering that produced the breakthrough, ending a decadelong diplomatic impasse and giving the increasingly marginalized United Nations a sorely needed victory.

Mr. Annan disclosed, for instance, that all the legal and logistical problems had been resolved by mid-November. He and Mr. Corell had even already asked Italy to lend the United Nations a Boeing 707 jet on which UN markings were painted.

Mr. Corell had located and interviewed trustworthy pilots, personally approved the flight plan to the Netherlands and recruited doctors and nurses to accompany the two "passengers," as he called them. He had even ordered appropriate food — no ham, shellfish or alcohol, in keeping with Muslim dietary prohibitions — and taken steps to ensure that the food would not be poisoned.

Then Colonel Muammar Gadhafi, Libya's eccentric leader, balked at the deal that he and the Arab League had originally proposed: putting the two suspected intelligence agents on trial in a third country.

So Mr. Annan orchestrated a discreet but relentless political campaign to persuade Colonel Gadhafi, including a hitherto secret appeal by Prime Minister Yevgeni Primakov of Russia. As part of this appeal, the United States assured Libya that the trial would not be used to undermine the colonel's rule.

Mr. Annan said he had realized early in his tenure as secretary-general that Libya was slowly persuading the Organization of African Unity, the Arab League and other countries that the two Libyan suspects, Abdel Basset Ali Megrahi and Lamen Khalifa Fhimah, would never get a fair trial in Britain or the United States.

Chad, Niger and Gambia, among other African states; began flouting the UN sanctions by flying their leaders or senior officials into Tripoli airport. And last summer the 50 members of the Organization for African Unity voted to stop abiding by the sanctions.

Mr. Annan said he realized that if NATO did not find a way forward, the economic sanctions would lose all legitimacy.

At the same time, he said, by rejecting "every Libyan proposal," the United States and Britain "had boxed them selves into a situation of being the stubborn negative ones."

What Mr. Annan called the "first crack" in the impasse occurred last August when first Britain then, more reluctantly, the United States agreed to the Libyan-endorsed Arab League proposal that the two men could stand trial in the Netherlands under Scottish law.

"We ultimately decided," an American official said, "that agreeing to the Libyan proposal of a trial in a third country would box Libya in."

If Colonel Gadhafi agreed, "the impasse would be over," the official said. "If he did not accept a version of his own proposal, he would be embarrassed and ultimately isolated."

Last October and November, UN lawyers led by Mr. Corell and a Libyan legal team led by Kamel Hassan Maghur, a former foreign minister, met quietly at the United Nations over several weeks to "clarify" the many thorny questions: Who would be authorized to defend the Libyans in a Scottish court of law in the Netherlands? Would the suspects be considered "passengers" or "prisoners" on the flight from Libya?

Mr. Corell quietly began preparing for the surrender and transfer. All of the legal issues and arrangements were completed by Nov. 13, Mr. Corell said, but still there was no political decision from Colonel Gadhafi.

"It's one thing to work with the technicians and another to get a political decision," Mr. Annan said. "And we needed a political decision, which is why I went to work."

In early December, Mr. Annan flew to Libya to meet with Colonel Gadhafi. After several hours of one-on-one discussions in the leader's tent outside Sirte, his desert capital, Mr. Annan said, he left convinced that the colonel had realized that a deal "had to be done."

But the Libyan had repeatedly vowed publicly never to turn the suspects over to a foreign court. "So he had to manage his own reality," Mr. Annan said, "and reverse the dynamics he had created."

Taking no chances, Mr. Annan flew from Libya to an Arab summit meeting in the United Arab Emirates, where he enlisted promises of mediation and other support from President Nelson Mandela of South Africa and Crown Prince Abdullah ibn Abdulaziz of Saudi Arabia and their emissaries. In the ensuing weeks, he said, he recruited dozens of leaders, including President Hosni Mubarak of Egypt and Mr. Primakov, to urge Colonel Gadhafi to accept the deal.

A U.S. official agreed that Russia, which has opposed American policy on Iraq and Kosovo, had been "very helpful" in resolving the Libyan impasse.

Most of the diplomats interviewed said they began to believe that Colonel Gadhafi would surrender the suspects as promised only after Mr. Mandela announced it on March 19 in a speech at Colonel Gadhafi's side in Tripoli.

Even then, Mr. Corell was so secretive that not even Mr. Annan knew exactly when, where and how the Libyans would be moved.

## With Sanctions Lifted, Libyan Airlines Flies

The Associated Press

CAIRO — Libyan Airlines celebrated its new international legality Wednesday by bringing home about 150 pilgrims from Saudi Arabia.

Hours earlier, the airline made its first international flight since the UN air embargo against it was suspended Monday, flying to Malta and back, Libyan Television said. Libya broke the embargo

when it flew a group of pilgrims to Saudi Arabia on March 18. It has violated the embargo every year since 1994 to fly its citizens to the annual pilgrimage in Mecca.

The UN Security Council imposed the sanctions in 1992 over an investigation of the bombing of Pan Am Flight 103 in 1988. Libya handed over two suspects in the bombing this week.

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## TribTech

**'Spintronics' Puts a New Spin on PC Building Blocks**By John Markoff  
New York Times Service

**S**AN FRANCISCO — A group of IBM researchers said last week that they had successfully designed the building blocks of a new kind of computer memory that could fundamentally alter computer design early in the next century.

Chips based on this new technology, known as tunneling magnetic junction random access memory, or TMJ-RAM for short, would be ultrafast, consume very little power, and retain stored data when a computer was shut down.

As such they would combine the best features of computer disks, which can store prodigious amounts of information, and conventional memory chips, which are fast but limited in capacity.

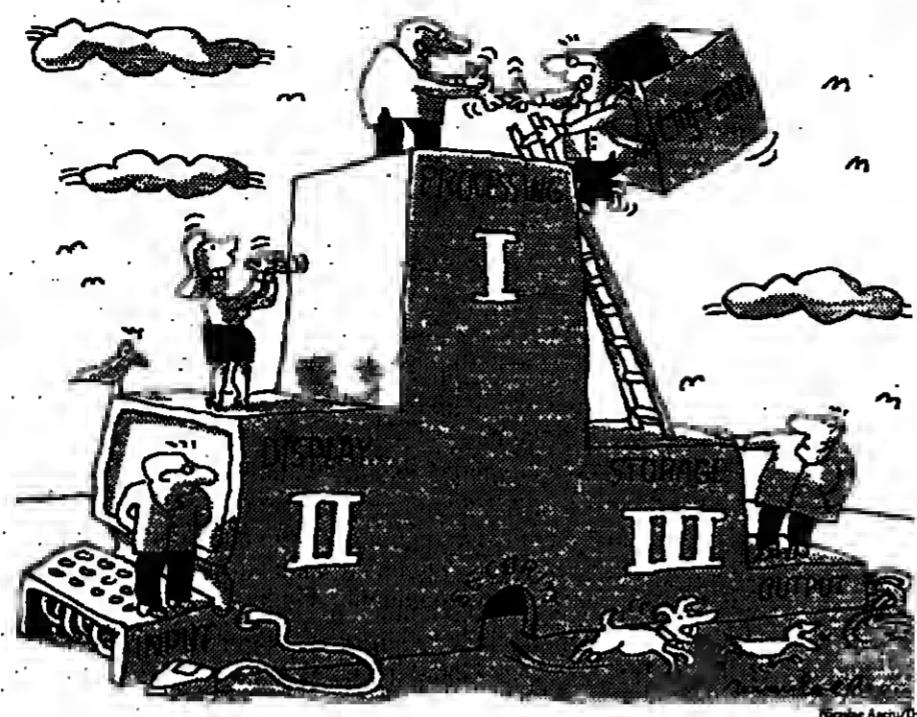
An IBM researcher revealed at a meeting of the American Physical Society in Atlanta last month that a small research team working at the company's Almaden Research Laboratory in San Jose, California, had succeeded in building microscopic magnetic memory cells that can switch on and off as quickly as the fastest microprocessor chips, consume power only when reading and writing, and are almost as small as the tiny capacitors that store data in the most advanced conventional memory chips.

In contrast, current memory chips must be continually electrically refreshed while operating, because the electrical charge continuously leaks from the millions of storage capacitors that make up the chips.

"This is the holy grail of computer memory," said Randy Isaac, a vice president at IBM's Thomas J. Watson Research Center. "This is the result of a global quest that has gone on for decades."

Indeed, the advance is a crucial step toward a new class of electronic materials and a new kind of microelectronics, which has been named "spintronics" because it is based on the ability to detect and control the spins of electrons in ferromagnetic materials.

Spin is an aspect of quantum mechanics, the rules that govern subatomic physics, that is still unexplored commercially. According to quantum mechanics, the electrons in a normal electric current are spinning in a random mix



of quantum states known as up and down.

By ordering this mayhem in a process analogous to the polarization of light — in effect, aligning the quantum spins to be either all up or all down — scientists can create the "off" and "on" states central to computer calculations and give the digital revolution a remarkable new dimension.

**S**PINTRONICS is already a billion-dollar industry because of another IBM innovation based on a phenomenon known as giant magnetoresistance, which is being used to read hard disks. In the so-called GMR effect, tiny magnetic fields are used to control the electrical resistance of a sandwich of alternating layers of magnetic and non-magnetic metals.

In recent years, progress at research laboratories in the United States, Europe and Japan has touched off an international race

among scientists who believe that spintronics may offer dramatic gains in memory and processing power in the next century.

In the United States, a number of companies, including IBM, Honeywell Inc., Hewlett-Packard Co. and Motorola Inc., are working on spintronics, according to Stuart Wolf, who is in charge of financing Pentagoo research in the field.

"In two or three years there will be results in this field that will make people sit up and take notice," he said.

The new TMJ-RAM devices combine the phenomenon of spin with another heretofore elusive quantum feature known as tunneling, in which current can pass from one metal layer to another, switching its spin from up to down, like a ghost melting through a wall.

"We've been able to improve these materials beyond my wildest dreams," said Stuart Parkin, the IBM physicist who leads the Al-

maden research group. "These are wonderful devices because in principle you can scale them through many, many generations."

Such memories might have a broad impact on the design of computers, he said, because they could be applied at both the very high and very low ends of the computer industry.

Because current memory chips are much slower than microprocessor chips, computer design is based on a hierarchy of memory. A conventional personal computer will have a number of different types of memory, which descend in speed and increase in capacity.

This hierarchy ranges from the so-called ultrafast cache, which is built directly into the microprocessor and stores data and parts of the program used most frequently, to the magnetic computer disk, which is the slowest part of the system but holds the most data.

Computers based on the new type of quantum-effect memory would outlast only start instantly, because program information and data could be permanently stored, but would also be faster, because the TMJ-RAM memory would keep pace with the fastest microprocessor chips.

**M**EMORIES based on quantum-tunneling effects were first predicted theoretically by John Slonczewski, an IBM physicist at the Watson Research Center, in 1975. But it was not until three years ago, when research groups at Massachusetts Institute of Technology and in Japan simultaneously were able to demonstrate the magnetic tunneling effect, that Mr. Parkin's group returned to the field.

The scale of the research is remarkably small. For example, the aluminum dioxide insulating layer in the tiny sandwich of iron-cobalt magnets that makes up the experimental memory cell is only four atoms thick. The electrical resistance of that layer was lowered 10-million-fold at room temperature.

This allowed current to "tunnel" between the layers, altering the direction of the spin in one of the magnets and creating the equivalent of a digital 1 or 0.

So far the group has demonstrated reading and writing times of about 10 nanoseconds, about six times faster than current dynamic random access memories.

## ALT / Review



The Comquest TV Laptop (\$139.99), for ages 8 and up, can plug into a TV or be linked to a computer.

**Toy Computers Are Still Magical**By Josh Barbanel  
New York Times Service

**N**EW YORK — If only it were 1985, a millennium ago in the world of computers. Then Team Concepts Holdings Ltd.'s Comquest Disk Master and Vtech Holdings Ltd.'s Master Pad Deluxe would be considered brilliant inventions, rather than fodder for the toy box, and their creators might be billionaire monopolists.

Today, these devices look like crude laptops or desktop computers, with very small screens and flimsy plastic cases. Just like adult computers, they have keyboards and mice, but they beep a lot, talk back, make simple music and allow children to play games, practice math and spelling and sometimes even write letters, print out documents and send e-mail. Some also play compact discs. Batteries are not included.

They are merely toys, sold at (relatively) low prices and marketed as learning devices. They are sometimes billed as a child's first computer, insinuating themselves into the minds of parents who may fret about parental inadequacy or the higher cost of a "real" computer.

But these toys raise intriguing questions about the world of computers: Why do they have to be so complicated? Do we really need all those fancy schmancy graphics and rich sounds? And, finally, what is the point of a toy computer, when an adult version may soon drop below \$500?

Toy computers can understand keyboard and mouse-click commands, and have speakers and built-in software just like the real thing. What makes them toys, and it is both a strength and a weakness, is that just about everything in them — except the words that children can bang out on their simple word processors — is controlled by the toy manufacturer.

There is no software to buy, no operating system to worry about, just buttons and clicks that call up the pre-installed software.

**T**O KEEP costs down, toy computers come with tiny, often fuzzy green screens, some as small as 5 by 10 centimeters (2 by 4 inches). They show large block letters and one-color graphics in the style of the mid-1980s, when there were only monochrome-graphics cards. Images are often hard to decipher and only a few words appear at a time, though some models can be plugged into a television set for a larger picture.

Most educational software for PCs dances and crackles across ever-larger home computer monitors, in dazzling colors and speed, with silken voices and deep levels of interactivity. In contrast, the software on the toy computers is elementary and sometimes simple-minded — so crude that educational software developers would not even give it away. You begin to wonder whether the manufacturers are bottom-scavengers taking advantage of parental ignorance.

And yet the toys have a magic about them. They remind me of the power of computers in the 1980s, before Windows, when computers were new. All we had were basic text-based monitors and shareware educational programs, and we still managed to build vast imaginative worlds from them.

Even children who use real computers and the Nintendo 64 game system (and is there a reason I have not seen a Nintendo spelling game?) are quickly engaged in a toy computer's play and learning activities. Once that happens, the screen quality does not matter too much. Sometimes content wins out over form.

In simplicity there is strength. Anyone who has stayed up into the early morning hours trying to get a sound card to work or software to run will appreciate the value of a system that operates without adult interference. It made me wonder whether all computers should be designed with a kid-mode button that turns on self-contained, guaranteed-to-work programs.

There is also the power of ownership. Children who spend hours playing games on mom's desktop love having a computer of their own.

**V**TECH'S Master Pad Deluxe, at about \$90, is designed for children 8 and up. It will make its debut this fall with 63 activities, including traditional multidigit multiplication and division problems, trivia games, English and foreign-language exercises, and money-management tasks. A word processor with a 75,000-word dictionary is also featured.

Only a few of the activities in this latest model were available to test this spring. Five-inch screens fill up quickly with large block letters, and activities are straightforward and abbreviated. They end where the creativity would begin for a contemporary educational software designer. You can add an e-mail kit (\$69.99 plus monthly mail fees), digital camera (\$39.99) and a printer (\$149.99).

The Comquest TV Laptop (\$139.99), for ages 8 and up, comes with many of the same learning activities and games as Vtech's, including a word processor and spell checker. Though the word processor screen is only 23 characters wide, the computer can be plugged into a television set for a wider and crisper color screen, and it can be linked to a computer to transfer files.

Both companies offer "precomputers" for younger techies. Computer Pal by Vtech (\$69.99), for children 5 and up, includes much more sound and music than Vtech's products for older children. A desktop dragon character rewards correct answers on the 4-inch-wide screen. The Comquest Disk Master (about \$60) has an even smaller screen, but it is backlit and easier to read. It offers 30 activities, including music and word games.

Toy computers are no substitute for the real thing, of course. And anyone considering buying accessories might want to check prices for low-cost grown-up PCs. But even for children with home computers, toy ones can be fun.

**Remote-Control Health Care: All You Need Is Trusty HANC**By Eric Nagourney  
New York Times Service

**G**LORIA BELISLE probably is not the kind of patient doctors had in mind when they first envisioned treating medically underserved people from afar with high-technology diagnostic tools.

Like any patient receiving such care in rural America, Mrs. Belisle, who has congestive heart failure, does not generally see the medical practitioners following her condition. Instead, twice a day she sits in front of a computerized machine that asks, "How can I help you?" It then proceeds to measure everything from her blood pressure to her heart rhythm.

But Mrs. Belisle, 50, lives not on a farm in the outreaches of rural America, but on the South Side of Chicago. To receive her examination, she need only make her way to the dining room of her two-story house.

She is part of a trend in the practice of "telemedicine." Increasingly, authorities say, telemedical equipment, from the most basic to the most elaborate, is spreading from small medical centers in the underserved parts of the world that spurred its birth several decades ago to homes in densely populated areas.

Driven by health care providers who hope to cut costs and by advocates who say the practice actually increases the attention given to patients, electronic remote home care is being used to monitor patients with widely diverse conditions including chronic illnesses and high-risk pregnancies.

The technology has also helped shorten hospital stays, because patients can now be monitored at home. And doctors say it is especially useful for homebound patients, in-

cluding many elderly people.

"I think people have come to realize that it can be just as hard to get across an urban area as it is to go 200 miles in a rural area," said Dr. Eric Allen, a physician in Kansas who edits *Telemedicine Today* magazine.

In an article in the *Journal of the American Medical Association*, Dr. Allen and two colleagues reported a sharp increase in the use of the equipment, both in and out of the home, from 1,715 consultations in 1993 to a projected 90,000 last year in the United States.

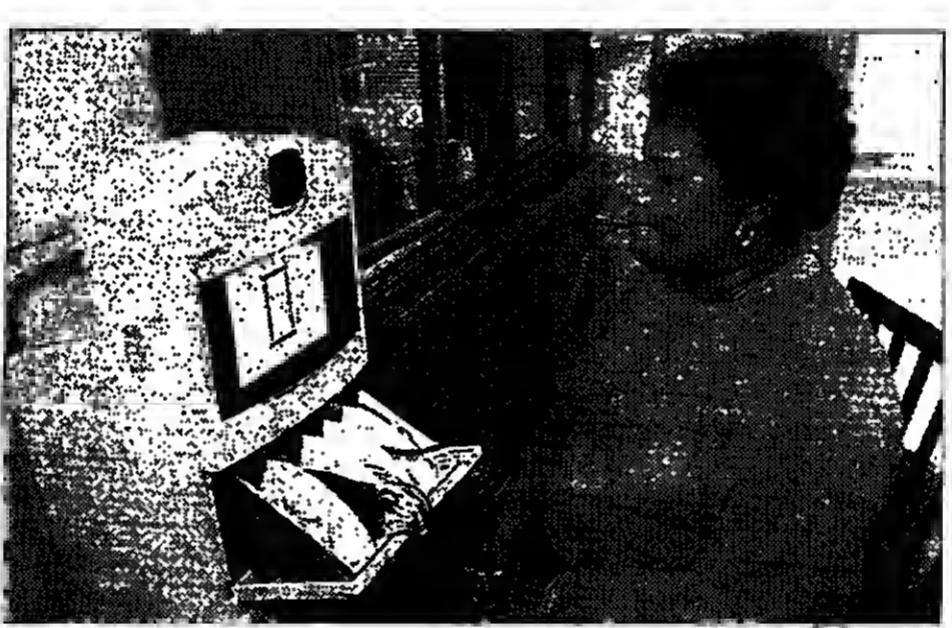
In the last several years, the magazine reported, use has doubled each year, a trend that Dr. Allen said seemed to be holding true for the remote care at home.

As high-capacity Internet lines spread to ordinary households, allowing people to quickly transmit high-quality video images and other data, the practice is expected to become more widespread.

Still, few would suggest that this kind of home care will overshadow the traditional role of the remote monitoring: treating people in hard-to-reach places.

For Mrs. Belisle, who has been using the technology for about two years, it has helped her control a condition for which her doctors had considered a heart transplant.

Morning and evening, Mrs. Belisle sits in front of HANC, or home-assisted nursing care. She attaches three electronic leads to her chest so that the machine can check her heart with an electrocardiogram. She slips her arm into a cuff so that her blood pressure can be measured. She puts her finger in a small sleeve so that her pulse and blood-oxygen level can be measured. And she enters her weight. The machine can also handle an electronic steth-



Mrs. Belisle is monitored by HANC, an electronic remote nursing care machine.

oscope, allowing remote examination of the heart and lungs.

The machine stores the information and relays it to nurses at the home-care agency monitoring her condition — immediately, if there is a problem.

By her own admission, before her machine arrived, when nurses visited several times a week, Mrs. Belisle was not always the best patient. Weakened by her illness, she did not always find the strength to take her medicine.

HANC, however, is hard to ignore. It tells Mrs. Belisle when it is time to take her medicine.

"He gets louder and louder until you respond," she said. If his demand remains unsatisfied, the machine contacts the nurses.

While the machine Mrs. Belisle is using is top of the line, costing about \$12,000, doctors

say they have been getting good results with equipment that costs often under \$1,000.

Concerns remain over whether the remote equipment will strip medical treatment of its human element. Advocates say that patients and, over time, health providers, have been generally positive about the technology, wooed over by the machines' power to allow numerous contacts with a doctor or nurse each day, instead of just several a week.

Mrs. Belisle acknowledged she was concerned at first. "I miss my nurses," she said. "When they first stopped coming, I didn't know if I could cope without them."

Gradually, she said, her machine wooed her over, and now she is nothing but praise for her caregiver — or, almost. "My only complaint with HANC: I hate him on Sunday morning," Mrs. Belisle said.

**BRIEFLY**

**ASIA BIG ON INFORMATION:** Asian countries in general, and Singapore in particular, have outpaced much of the world in the information technology field, an industry research group said.

International Data Corp. placed Singapore in fourth place — behind the United States, Sweden and Finland — in its annual Information Society Index rankings for 1998.

Singapore, whose government is promoting information technology in virtually every aspect of society, ranked 11th in the 1997 list.

Other Asia-Pacific countries high in the 1998 rankings were Australia (8), Japan (9),

Hong Kong (12), New Zealand (13), South Korea (20) and Taiwan (21). (AFP)

**VIRUS IN APTIVA PC:** International Business Machines Corp. said that several thousand of its Aptiva personal computers sold to consumers might be infected with a virus that can shut down the PC.

The Aptiva PCs that may be affected include models 240, 301, 520 and 580 that were built between March 5 and March 17. The virus, called CIH, is spread when some files are transferred from one PC to another. The bug may shut down the machine if the computer's internal calendar reads April 26 of any year.

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**SPEAK TO ME:** Another U.S. powerhouse has turned an eye to the Belgian firm Lemont & Hauspie Speech Products NV, the biggest European maker of speech-recognition software.

Intel Corp. agreed this week to invest \$30 million in the company.

Microsoft Corp. last month said it would increase its stake in Lemont to 7 percent, after having first acquired shares in September 1997.

As a result of the new investment, Dirk Saeckens

Pressing Ahead / *'We Have Ramped Up Operations'*

## On the Ground, Serbs' Low-Tech Tactics Foil High-Tech Attacks

By Michael R. Gordon and Eric Schmitt  
New York Times Service

BRUSSELS — When the skies cleared over the Balkans on Monday, it seemed to be a promising day for NATO's high-tech warplanes to attack Yugoslav tanks and armor in Kosovo. But alliance officials acknowledge that few, if any, armored vehicles were hit.

As they reviewed photos of the day's targets, North Atlantic Treaty Organization experts were unable to confirm the destruction of a single tank or military vehicle, officials said.

The Yugoslav military's ability to conceal its tanks and heavy weapons — hiding them in churches, barns, forests and towns — has considerably complicated the air campaign, pointing to some self-imposed limits of air strikes alone.

If the Yugoslav military truly believed it faced a land attack, it would have to position its tanks and artillery to cut off the roads and other avenues of attack. This would give the NATO pilots something to shoot at.

An allied ground force would also make it possible for military teams in Kosovo to call in

and direct air strikes to their targets with greater precision.

Further, many of the Serbian attacks are being carried out by relatively small bands of soldiers with automatic weapons. They would be no match for American ground forces, but they are hard to find and target from the air.

"What they are doing is low-tech," a NATO military expert said.

"They can send 20 guys in a truck to terrorize a village."

On Wednesday, Western military officials said the Serbs were continuing to hunker down. But they added that the West was beginning to use new tactics against Serbian tanks and vehicles to deal with the problem.

NATO has stepped up its daytime patrols. British Harriers, for example, are no longer attacking in flights of six aircraft. Instead, they are attacking in pairs, which maximizes the time they can loiter over the battlefield.

The new approach appeared to pay off on Tuesday when the Harriers caught a Serbian column, consisting of up to 12 vehicles, on a road and attacked it with cluster bombs.

"We have ramped up operations," Air Commodore David Wilby, NATO spokesman, said Wednesday. "We are keeping aircraft over the area as long as possible."

NATO is also using new tactics to try to catch Serbs in the open when they leave their hiding places to attack the ethnic Albanians.

The allies have ruled out sending ground troops into Kosovo until the fighting stops, largely to avoid political dissent at home.

Paradoxically, the absence of a credible threat to use land forces may prolong the air campaign and subject NATO to more political strain.

President Slobodan Milosevic appears to be husbanding his military in hopes that NATO will call off the prolonged campaign.

"Milosevic has already accomplished a lot of his objectives in terms of ethnic cleansing," a senior NATO diplomat said. "Now Serbs are concealing themselves and preserving themselves to fight another day. It is going to be a prolonged campaign."

Certainly, NATO's relentless bombing is beginning to take its toll.

Allied warplanes have pounded fuel depots,

dropped bridges, cratered airfields and pummeled surface-to-air missile sites from one end of Yugoslavia to the other.

But allied warplanes have had only mixed success so far in bombing the Serbs forces involved in assaulting the ethnic Albanians in Kosovo.

The Pentagon announced Tuesday, for example, that it had launched an intensive series of raids against the Yugoslav 3d Army, which has been spearheading the offensive in Kosovo. While Pentagon officials said they had struck the army's ammunition and fuel, as well as some forces in the field, they provided no account of how many tanks, artillery and other heavy weapons might have been destroyed.

Rooting out Serbian armored units, by all accounts, is not a simple proposition.

Commodore Wilby said, for example, that the Serbs are familiar with the pattern of allied takeoffs from Aviano, Italy, and other NATO air bases. They try to time their assaults against the ethnic Albanians to the lulls in the bombardment, he said, and hide when they know allied warplanes may be on their way.

Even when allied warplanes catch Serbian

forces in the act of rounding up ethnic Albanians, they often cannot attack them for fear of wounding the Albanians or inciting the Serbs to take out their frustrations on civilians.

That was the case when an allied reconnaissance plane detected Serbian armored forces ringing the village of Glogane in Kosovo. The Serbian aggression was noted, but an attack was ruled out, at least until the ethnic Albanians were moved out of the way.

There are also technical difficulties.

Allied warplanes used infrared targeting devices to find Iraqi tanks during the 1991 Gulf War. Though the tanks were dug up to their turrets in the desert, allied targeting equipment detected the heat from the tanks against the cool desert night. After finding the tanks, allied warplanes blasted with them laser-guided bombs, a technique known as "tank plinking."

But Kosovo is not a desert. Western military officials have to be careful about bombing civilian buildings because they cannot always tell if civilians are inside. And because the Serbs often turn tank engines off to conserve fuel, they often do not produce enough heat to be detected.

## NATO Rejects Yugoslav Cease-Fire

Alliance Wants Its 3 Key Conditions Met Before Bombing Will Stop

By Craig R. Whitney  
New York Times Service

BRUSSELS — NATO has resolved to keep bombing Yugoslavia until President Slobodan Milosevic agrees to withdraw all his attacking forces from Kosovo, let refugees return with an international military force to protect them and negotiate a political settlement, Western diplomats say.

Hoping to get diplomacy restarted, the allies have moved away from their earlier insistence that before anything else

can happen, Yugoslavia must sign the accords on autonomy for Kosovo that were presented at negotiations at Rambouillet in France last month.

[Speaking for the five Western powers that make up the core of NATO, Foreign Minister Joschka Fischer of Germany said Wednesday that any credible cease-fire must include independent verification that the killing in Kosovo had stopped. The Associated Press reported from Bonn.

[Mr. Fischer said that the cease-fire terms offered by Mr. Milosevic did not

make clear whether he would allow independent verification that Yugoslav forces have stopped "all combat activities and killings," or whether he would permit deployment of international security forces in Kosovo.

The statement also called for the release of the Kosovo Albanian leader Ibrahim Rugova and his family. The NATO powers demanded the ability to meet with Mr. Rugova outside Yugoslavia "under conditions free of possible intimidation."

The NATO secretary-general, Javier Solana Madariaga, said Tuesday night that his conditions for an end to bombing are "the return of all refugees and therefore the deployment of an international security presence, the withdrawal of Serb military, police and paramilitary forces, and putting into place a political framework for Kosovo on the basis of the Rambouillet accords."

According to the allies' original plan, only after a peace agreement was reached would the alliance be willing to send a NATO-led peacekeeping force of 28,000 soldiers into Kosovo.

Now, with the Rambouillet agreement made largely inapplicable by Mr. Milosevic's expulsion of ethnic Albanians, European diplomats say the allies are willing to send in peacekeepers to escort the returning refugees before a final settlement is negotiated.

But the alliance still insists that the fighting has to stop before it will send in troops, and it is not planning to order soldiers to fight their way into Kosovo, diplomats say. Military commanders said that if the allied bombing campaign goes on long enough, the Serbian forces will be unable to put up much resistance.

The allies rejected Mr. Milosevic's announcement Tuesday of an immediate unilateral cease-fire unless it is accompanied by compliance with their other conditions.

In deference to vigorous Russian objections, allied officials said, the North Atlantic Treaty Organization will not insist on plastering the NATO label on the international force it hopes to send eventually to Kosovo to enable the ethnic Albanian population to return. The allies expressed hope that Moscow would agree to take part in such a force.

Mr. Fischer said Tuesday night that if meetings this week involving U.S., European and Russian diplomats went well, Russian and Western foreign ministers, including Secretary of State Madeleine Albright, could meet in Europe by the end of the week.

not accept any conditions for a release and ruled out a suspension of bombing.

In Washington, the Clinton administration was restrained in its reaction.

"We'll believe it when we see it," said David Leavy, spokesman for the National Security Council.

Cyprus has historically bad close ties with Yugoslavia and the government has backed its fellow Orthodox Christians in their clash with NATO over Kosovo.

The three captured soldiers were part of a peacekeeping force in Macedonia and not involved in the air strike campaign. They are Staff Sergeant Andrew Ramirez, 24, a cavalry scout from Los Angeles; Staff Sergeant Christopher Stone, 25, a cavalry scout from Smith Creek, Michigan, and Specialist Steven Gonzales, 24, a cavalry scout from Huntsville, Texas.

(AP, Reuters)

The British minister of defense, George Robertson, left, pairing up on Wednesday at a news conference in Bonn with his German counterpart, Rudolf Scharding, to report on developments in the war over Kosovo.

## Cyprus Presses Belgrade on GIs

Compiled by Our Staff From Dispatches

NICOSIA — The speaker of the Cypriot Parliament claimed he was close to winning freedom Wednesday for three U.S. soldiers captured by Yugoslavia. Washington could not confirm a deal.

Spyros Kyprianou, who is also Cyprus' acting president, flew to Belgrade to meet with his longtime ally, President Slobodan Milosevic of Yugoslavia. The Yugoslav government did not comment on the deal.

"The exchanges have been very constructive so far and the indications are that this mission will succeed," Kyprianou told reporters. "I am confident about it."

Mr. Kyprianou said Mr. Milosevic had set "some preconditions" for releasing the three servicemen, but he did not elaborate. NATO said later it would

not accept any conditions for a release and ruled out a suspension of bombing.

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(AP, Reuters)

had turned away quickly to avoid ground fire, he said.

But reconnaissance planes and satellites were tracking Serbian armor and enabling NATO to pursue "an unmitigating campaign with ruthless efficiency" against Serbian forces, he added.

In this new ground-attack phase, NATO has started using cluster bombs — canisters that scatter small, armor-piercing explosive charges in a preset pattern to hamper, destroy or disable vehicles on the move.

These constitute an ideal weapon against Serbian tanks supporting troops or paramilitary police units in their operations against Kosovar civilians.

But these munitions are designed to saturate an area with explosives, not deliver contained explosions of the sort that NATO has unleashed with precision-guided missiles used against targets like fuel depots and buildings.

Devastating against tanks, these "area munitions" being used now also cause damage throughout the vicinity of their targets, increasing the risk of that civilian casualties that NATO has sought to avoid.

But the alliance seemed more willing to take such chances now, partly because there are fewer ethnic Albanian civilians in the province and partly because the other risk involved in ground attacks — anti-aircraft fire — has also decreased.

An accident involving the heaviest civilian casualties yet was reported Wednesday when Serbia's state-run news agency, Tanjug, said that 10 people were killed and eight seriously injured in a NATO missile strike on Pristina, the Kosovo capital.

It said missiles hit the center of the city, damaging the main post office, the national bank building, the city council, as well as several other administration buildings.

There was no comment from NATO, and no independent confirmation of the report.

Rescue teams were trying to find survivors beneath the rubble and civil de-

struction.

Apparently seeking to prepare opinion for a prolonged air war, Defense Secretary William Cohen said Wednesday that NATO allies were exhibiting "greater resolve" toward continuing air attacks against Yugoslavia.

He made the comments to reporters on a trip to Brussels, where he was taking members of Congress for NATO briefings.

"Nothing less" could lead to a settlement, Mr. Clinton said.

The air attacks reportedly escalated again Tuesday night to more than 400 sorties, and the attacks continued Wednesday at the highest rate yet in daylight hours. Air Commodore David Wilby said in a briefing at NATO headquarters in Brussels.

NATO has scored its "first major breakthrough against Serbian armored forces in the field," he said, describing a ground attack by allied planes on a column of 12 tanks.

All of them were apparently hit, and seven were destroyed.

The damage was hard to determine immediately because the attacking pilots

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The Refugee Drama / We Want to Go Back, but How?

## Silence Along the Border: Refugees Are Turned Back

By Daniel Williams  
Washington Post Service

MORINA, Albania — At 3 A.M. the massive flow of refugees came to a silent halt. Relief officials and Albanian stragglers who crossed the border Wednesday said that tens of thousands of refugees heading toward the frontier here were being marched at gunpoint back toward Prizren inside Kosovo.

Their cars and tractors were smashed, and some were burned.

Where haggard refugees had trudged by foot into Albania, only the litter of plastic bottles, discarded clothing and paper remained. Wayside tents just off the immigration booths were empty. Only a few exiles whose vehicles had broken down remained on the road to Kukes, the first city near the border.

From one observation point in the mountains that flank the frontier, day-time visitors peering into Kosovo saw an empty road. The view to Zur, the place where the string of abandoned vehicles began, was blocked by mountains. On hillsides, Serbian soldiers dug trenches.

## Hasty Evacuation Of Dispossessed From Macedonia Raises Tensions

By Paul Horvitz  
International Herald Tribune

PARIS — Overnight, the plight of tens of thousands of ethnic Albanian refugees fleeing Kosovo changed radically Wednesday.

At the muddy border town of Blace, Macedonia, an entire encampment of the dispossessed — about 45,000 people living in dire circumstances — was hastily jammed on to buses and driven to a series of makeshift military camps and transit centers where conditions were better but still primitive.

Thousands more were bused from Blace into Albania, and more were expected to be sent to Greece and Turkey.

To the west, at the Albanian border with Kosovo, Yugoslav officials abruptly closed a crossing early Wednesday morning that had seen the passage of thousands of evacuees, and aid workers feared that many Kosovars moving toward Albania had been forced to trek back to villages they had fled in fear.

On the Kosovo side of the Macedonian border, where thousands more ethnic Albanians had waited for passage in cars and on foot to Blace, reports indicated that Yugoslav military officials had cleared the area and sent the refugees back into the interior, some apparently to Prizren, the provincial capital of Kosovo.

Confusion reigned in many quarters. Aid officials again accused the Macedonian government of carelessness and sometimes brutally dividing families and failing to tell the evacuees where they were bound for. In Rome, a spokesman for the UN High Commissioner for Refugees said thousands of evacuees were unaccounted for.

But it was clear that the tent cities erected by NATO military forces in Macedonia and Albania were functioning, with food and medical supplies pouring in on aid flights. U.S. Marines who arrived this week in Macedonia were erecting yet another camp Wednesday, and French and Italian forces continued to ferry supplies inside Albania.

The airlift of refugees to other parts of Europe continued slowly. Germany's first complement of refugees landed in Nuremberg aboard a German air force plane, even as European Union foreign ministers made clear at a meeting in Luxembourg that they opposed any massive airlift.

While it was far from clear what Belgrade had in mind for the Kosovars sent back home from the borders one day after President Slobodan Milosevic declared a unilateral cease-fire, NATO officials immediately cast the developments as bad news.

"I hope that the Serbian government is not playing poker with people's lives," said the alliance's civilian spokesman, Jamie Shea, in Brussels. He said it appeared that Serbian officials wanted "to push them back into a wasteland, where there is no food, very little water, no medical supplies and where everything has been looted."

The swift emptying of the Blace encampment came amid deep tensions between Western aid officials and the government of Macedonia, a former Yugoslav republic.

On Tuesday, Prime Minister, Ljubco Georgievski of Macedonia sharply criticized NATO, saying the alliance had been "completely irresponsible" to ignore warnings that air strikes on Yugoslavia could trigger a humanitarian disaster.

The United Nations and Western aid agencies, for their part, have accused Macedonia of using bureaucratic delays to slow the influx of both refugees and aid.

Aid workers were sharply critical of the handling of the Blace evacuation.

"These buses arrived unannounced with no forewarning and no information about their destinations," the UNHCR spokesman, Paul Stromberg, said in Geneva.

"We talked to a girl this morning who found her father was in Turkey, her mother was in another transit center, her brother at another crossing point," he said, adding, "It is the kind of thing we are going to find more and more."

Aid workers did not even know where the refugees had been taken until midday, when Macedonian officials announced that about 10,000 of them had been transported to Albania and 25,000 to Greece.

## REFUGEES: 10,000 Kosovars Disappear After Mass Evacuation by Macedonia

Continued from Page 1

an estimated 65,000 people trapped in no-man's-land at the border between Kosovo and Macedonia, was a deserted rubbish strewn stretch of land Wednesday.

The makeshift shelters of plastic sheeting and blankets that had been home for refugees for over a week have been abandoned. Nothing moved across the hillsides and fields except scraps of rubbish blowing around. Where thousands of voices had created a constant din, there was silence.

The smell of thousands of unwashed bodies, crammed in close proximity, still hung in the air. Clothes and blankets were heaped together in a huge pile, as if people had dropped them as they filed past to the buses.

The Macedonian authorities began loading op-

ing 11 children, on a tractor-pulled trailer chugged into Albania. They told UN officials that the Serbs had let them pass because they were immigrants from Albania who had lived in Orshovac for several years. They were told they were free to return to their homeland.

Another crossing, at Qafa Prushit, was closed Tuesday afternoon. No one has crossed since. Officials did not know how many refugees were awaiting entry at that more rugged mountain pass.

Refugees who arrived before the cutoff said that late Tuesday, Serbian police and soldiers began to tell them they could stay in Kosovo. However, at that point, no one was being forced back.

"We did not think about what they were saying," said Gaymard Darvis, who was sitting beside a broken-down tractor a mile from the border. "I don't trust them. We want to go back, but how? They've stolen everything we had."

She had left the city of Pec three days before, having endured the burning of

much of the town and expulsion of almost all its inhabitants. At first, the Serbs told her to flee to Montenegro, the Yugoslav province to the north. But on the road, soldiers ordered her to head for Albania.

Along the way in Decani, Serb soldiers seized Uki Dervestai, 50, a cousin, and took him away. She arrived in Albania around midnight with her infant son, mother-in-law and husband. Three brothers belonging to the rebel Kosovo Liberation Army had remained in the Pec area. She said the last words she had heard from a Serbian border guard were, "Go away."

Rustem Kastrati, a farmer from a village near Pec, arrived at about 1 A.M. after a grueling five-day trip with two families totaling 21 people crammed in the back of a large truck.

Serbian soldiers in Puska asked for money, and when he only produced about \$150, they slammed a rifle but into his arm.

One soldier put an AK-47 to his chest, then raised it above Mr. Kastrati's shoulder and fired.

"All in Kosovo is coming," he said, unaware that the frontier was closed. "We can only go back with NATO ground troops."

His brother, Zek Kastrati, sported a black eye and arm bruises from his encounter in Puska. The brother, a father of three children, said a masked Serbian paramilitary guard beat him after he turned over \$200. At the border, guards took his passport and told him, "There is no way back."

### Ragged Lines of Refugees

John Kifner of The New York Times reported earlier from Morini, Albania:

The long, ragged lines of refugees continued to cross the border from Kosovo here as darkness fell Tuesday.

The fleeing ethnic Albanians were taking their cue from the plumes of smoke pouring from border villages set afire that afternoon by Serbs, rather than from any diplomatic maneuvers.

During the day and evening, several refugees spoke of having been told by the Yugoslav police that the policy toward them had changed and they could

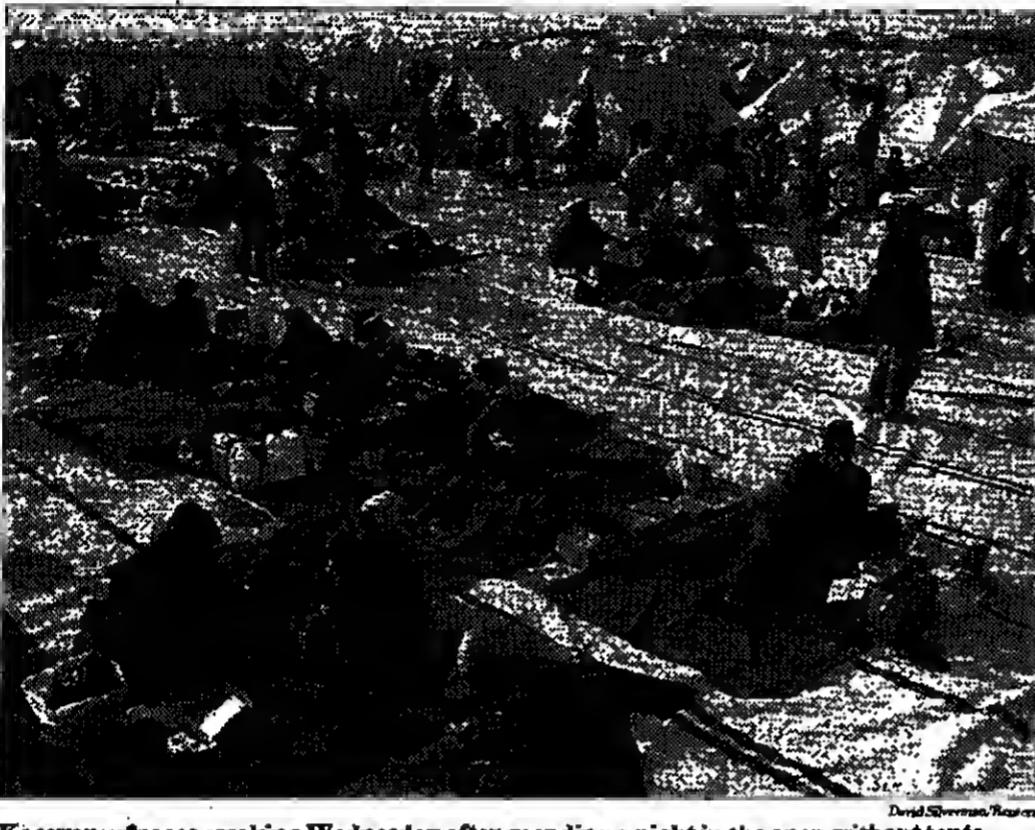


go home. But the somewhat mystifying order did not appear to have been widely

indeed. The pace of refugees crossing the border appeared to pick up rapidly Tuesday, and by nightfall the twisting road leading toward the Albanian town of Kukesi was jammed with tractors pulling carts of refugees, nearly all women, children and old men.

More than a dozen horse-drawn wagons crossed Tuesday night.

It appeared that many of the latest refugees were from rural districts.



Kosovar refugees awaking Wednesday after spending a night in the open without tents.

had gone to NATO-run tent camps inside Macedonia.

At a major transit camp erected by NATO a few miles from Blace, a military official, Brigadier Tim Cross, said the condition of the refugees remained fragile, although an Israeli field hospital had just opened.

"At the moment, we've coped," he said on CNN. "But I'm not sanguine about the next 48 hours."

In the Albanian town of Korca, close to the point where the refugees crossed in buses, refugees gathered on a soccer field and were being given bread and milk by local people, The Associated Press reported.

All that remained Wednesday at the Blace site was a giant smoldering pit, with garbage fires burning and tons of mucky clothing and plastic sheeting strewn about. Paramilitary police kept journalists at a distance, an AP dispatch said.

An Associated Press Television News crew at a nearby crossing, Jazinc, saw empty Yugoslav buses waiting across the border, apparently preparing to transport refugees back into Kosovo.

Macedonia fears the flood of refugees will destabilize its ethnic balance, allowing the new ethnic Albanian arrivals, who are Muslims, to socially and politically overwhelm the Slavic Orthodox Christian majority in Macedonia, a country of 2.2 million. The current ethnic mix is roughly two-thirds Christian and Slavic and one third Muslim and Albanian.

In a news release late Tuesday, the government said refugees would go directly to transit camps "where they will be transferred to other countries."

NATO troops in Macedonia have been working day and night to set up nine tent cities. Mr. Shea said the alliance had ferried more than 1,700 tons of relief so far.

Although details of the mass movement out of Blace remained hazy, a French official, Pascal Dubar, told Agence France-Presse that people were crowded into buses designed for half the number they carried.

"These people carried themselves admirably," Mr. Dubar said.

Meanwhile, in Brussels the European Union on Wednesday allocated as much as 250 million euros (\$270 million) in extra humanitarian aid to the Kosovo refugees and financial assistance to help neighboring Balkan countries provide security to fleeing ethnic Albanians.

In a news release late Tuesday, the government said: "We hope that the Serbian government is not playing poker with people's lives," said the alliance's civilian spokesman, Jamie Shea, in Brussels. He said it appeared that Serbian officials wanted "to push them back into a wasteland, where there is no food, very little water, no medical supplies and where everything has been looted."

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A Kosovar boy being cuddled by his mother Wednesday at a refugee camp in Macedonia.

## EXODUS: Fleeing Family Finally Gets to a Tent

Continued from Page 1

white dress, white veil, standing between her parents, who are still in Pristina, unreachable.

She shows what else a woman packs in her purse to flee a country: her medical degree, her birth certificate, the children's birth certificates, her marriage license, the family's savings, a bag of cosmetics, a bar of soap, a tube of hand cream and her official stamp, which says in purple type: "Dr. Aferida Vuniqi-Dushi, spec. medicus univ."

The purse, like her shoes and the bottom of her pants and the sleeves of her sweater, is stained from mud. That happened Saturday, their first day in the field, the day she and Mr. Dushi thought would be their only one there. "The field of death," she now calls it. And, sounding even worse somehow when she says it: "The beautiful field."

By day's end, not only were they still in the field, they were standing in the midst of thousands of people, all of whom had pushed their way toward one edge of the field because rumor had it that was where you had to be in order to be selected to leave. It began to rain. They covered themselves with a sheet of plastic. The children wanted to lie down, but there was no room.

"This is the way to Skopje," Mr. Dushi told them, but by morning they were still in the field, and when they made their way back into the depths of the camp, back to where they had spent much of the first day, the thought came to Mr. Dushi that this was where they now lived.

On Monday morning, Mrs. Dushi approached a policeman walking along the edge of the field, one of hundreds whose job is to make sure no refugee leaves the field except by bus. "I am a doctor," she said to him, begging him to help her, to get her out so she could help other refugees. The way he looked at her caused her to go back to Mr. Dushi, whom she hadn't hugged in days, whom she hadn't really touched, and take his arm. "I hold his arm only to give him hope and for him to give me hope," she says. "I said, 'I am nothing here.' It is very hard to say that, but in the field you are nothing."

At noon Monday, she approached a doctor who was walking through the crowd. "I am your colleague," she said. "Can you help me to get out?" The doctor looked at her. She told

him who she was, where she practiced, what she did. He told her there was nothing he could do, not at the moment, but to come back to that same spot the next day, at noon again, and he would try to help her.

The night passed. At noon Mrs. Dushi led her family to the spot, and there was the doctor, just as he said he would be.

"Doctor," she said to him. "Colleague."

"Just a minute," he said to her, turning away, and for a moment her heart sank, but then she heard him telling the nurse to bring two stretchers and then she realized what he wanted her to do.

The stretchers came. She told Arian to lie down. He didn't want to. He didn't understand. But he did as his mother asked. "Don't say anything," she said. "Just close your eyes." Then Rita — who lay down and closed her eyes, but then opened them and started to cry.

"Give me your hand," Mrs. Dushi said to Rita, and Rita did, and the mother took it and started to cry, and in this way, crying and running, the Dushis made their way out of the field and across the road and into the tent with the thick canvas heat and slanted dirt floor, which, in the course of four days, had become the best place they could imagine themselves being.

And now, here they are: 5 P.M. The sun is going down. The tent is cooling. Across the road, tens of thousands of people are getting ready for another night in the mud and stink.

Somewhere in Skopje is Mrs. Dushi's brother. Somewhere in Pristina are her parents. Her world, though, is this tent, at least for now, and in this world the malnourished woman with the two teeth is sitting up, and her hands are cupped, filled with the vomit of her son. It begins overflowing. There is nothing the woman can do. He keeps vomiting. The doctors come running over to try to help, and instead of helping them, Mrs. Dushi is remembering her first day in the field, when a man sitting out too far from her began to have a seizure.

No one knew what to do, except her. She searched the ground. Found a stick. Wiped it off as best she could. Put it in the man's mouth so he would not bite his tongue. Stayed with him until the seizure was over, and then went back to her family.

"That day, I felt like a doctor," she says.

"This day, I feel like nothing."

## THE REPUBLIC OF ECUADOR THE MINISTRY OF FOREIGN TRADE INDUSTRY AND FISHERY THE EXPORT AND INVESTMENT PROMOTIONS CORPORATION

REQUEST CONSULTING FIRMS TO EXPRESS THEIR INTEREST

The Ecuadorian Export and Investment Promotions Corporation (CORPEI), calls for international firms to show their "expression of interests" to carry out the ENTREPRENEURIAL LEARNING AND INNOVATION segment of the Ecuador International Trade and Integration Project financed by the International Bank For Reconstruction and Development, Loan 4346-ec.

The objective of this segment is to finance Learning and Innovation subprojects and Grassroots Growth subprojects, regarding the improvement of Ecuadorian international trade development and integration with the global economy.

A consulting firm, with proven experience managing export promotion programs involving matching grant schemes, will be contracted to assist CORPEI in managing the Learning and Innovation Fund and Grassroots Growth Fund.

The interested firms must send to CORPEI, up to May 1st of 1999, the following information:

a) Letter expressing interest, and

b

## NATO Must Persist

Keeping NATO's 19 members united in their determination to confront Slobodan Milosevic has been a difficult challenge for President Bill Clinton, and it has gotten harder. Belgrade's declaration of an Orthodox Easter cease-fire in Kosovo, coupled with an errant NATO bombing raid on the Serbian town of Aleksinac, were just the kinds of developments that can start to unravel a coalition of disparate nations. NATO properly rejected the cease-fire, which came with no long-term peace proposal, but the offer may be the first sign that Mr. Milosevic is looking for a way out of the conflict.

The United States and NATO must be ready to negotiate with Mr. Milosevic if he makes a serious peace offer, and there were signs on Tuesday that a negotiating track could quickly develop if he does. But until the bombing should persist. Though the attacks have done little to curtail the Serbian rampage across Kosovo, Mr. Milosevic's military and industrial base is now being hit hard. That will eventually produce a more comprehensive peace proposal from him. On Tuesday, he did not offer to withdraw his forces from Kosovo, allow the return of the refugees or take any other steps required to undo the damage of the last two weeks. Wavering NATO members like Italy and Greece must recognize

that a false peace in Kosovo will only embolden Mr. Milosevic to turn his terror against other Balkan peoples. But if Russia is willing to help settle the conflict, more serious diplomatic efforts could grow out of a planned meeting on Wednesday in Brussels between Deputy Secretary of State Strobe Talbott and his Russian counterpart, Alexander Avdeyev, and European diplomats. The alliance gave Mr. Talbott some talking room by dropping its insistence that as one condition for stopping the bombing, Mr. Milosevic must sign the peace plan prepared last month in France. The specific autonomy plan for Kosovo outlined in the agreement has been shattered by the Serbian assault, and NATO has sensibly decided that a new plan is needed.

The casualties in a residential neighborhood of Aleksinac were unfortunate. But with the use of precision munitions, the alliance has kept civilian casualties to a minimum. Serbian forces, by contrast, have deliberately targeted civilians in their brutal march across Kosovo. NATO reconnaissance photographs and numerous accounts from refugees suggest that the Serbian units have executed hundreds of ethnic Albanians as they have forced the people of Kosovo from their homes.

—THE NEW YORK TIMES.

## Deploy the Helicopters

Anyone watching television or reading a newspaper has at least some sense of the misery inside the muddy encampments of Kosovo deportees. The misery inside Kosovo itself remains largely hidden to the outside world; there are no foreign correspondents or aid workers, and the Kosovars themselves have been largely cut off. But enough stories are now emerging from those forcibly expelled, and their accounts are sufficiently consistent, to paint a horrifying picture.

There are confirmed accounts of mass executions. Slobodan Milosevic's forces are shooting fathers in front of their families, stabbing children to death and burning families alive inside their homes. Serbian troops pull girls and women from cars and tractors to rape them while their relatives are forced to leave the country without them.

These atrocities are taking place now. For all the misery at Kosovo's borders, many more civilians remain inside Kosovo than have been forced to flee. Mr. Milosevic's supposed Eastern cease-fire may or may not offer a temporary respite, but there is no doubt that these civilian hostages — more than a million of them — remain in grave danger from his marauding troops. NATO's first goal must be to protect those people to the maximum extent possible.

In the early stages of this conflict, NATO could not protect the Kosovo civilians for whom this war is being fought. The air campaign had first to degrade Serbia's air defenses. The threat from those anti-aircraft guns and missiles now has been diminished, and NATO officials say that their planes are targeting Mr. Milosevic's forces in the field. But even now, the officials say, the air campaign is limited in its ability to interfere in the continuing ethnic cleansing, because Serbian tanks are too dispersed, too well hidden, too close to civilians or — still — too well protected.

—THE WASHINGTON POST.

## Other Comment

## Palestinian Patience

The Palestinian Authority says its leaders will decide by the end of April whether and when to proclaim an independent state, but it is a good bet that the choice has already been made. Under prodding and with political sweeteners from the United States and 15-nation European Union, Yasser Arafat is likely to announce he is deferring that decision for a time. The decision is being pushed by the May 4 expiration of the interim peace accords reached with Israel five years ago.

The best reason for letting that date pass quietly is the Israeli national election on May 17. Nothing would do more to assure the re-election of Prime Minister Benjamin Netanyahu and a hard-line government than for the Palestinians unilaterally to declare statehood.

It is now all but a given that there will be a Palestinian state somewhere down

the road. Last month the European Union went beyond its earlier comments with a statement supporting the Palestinians' unqualified right to self-determination. U.S. officials publicly stick to the line that the Palestinians' political future is to be negotiated, though privately many see eventual statehood as inevitable. Such opinions do not impress those Israelis who are determined to hold on to the greater part of the West Bank while agreeing to no more than limited autonomy for the Palestinians. But that attitude is a prescription for endless tension, and for Israel's increasing isolation.

Israel's election could produce a more moderate and conciliatory government that is truly interested in moving the peace process to a conclusion. Mr. Arafat surely understands that a Palestinian declaration of statehood on May 4 would bury that prospect.

—Los Angeles Times.

## Land Intervention Is the Only Hope for Kosovo

By William Pfaff

PARIS — Evacuation to Guam, Guantanamo, Germany or Turkey provides no solution to the Kosovo refugee problem. It represents denial of the fundamental problem, which is the war, which is being lost.

Resettlement abroad means collaboration in Slobodan Milosevic's ethnic cleansing of Kosovo. His fait accompli is ratified. The only acceptable resolution for the refugees is to be escorted back to their homes (those homes that survive) and provided with the security in which they can rebuild their lives.

The only solution, then, is a NATO military victory. If there is no NATO victory over Serbia, there will no longer be a NATO. And now, no victory is imaginable without a land campaign. The debate over intervention is no longer a dispute over the means to an end. It is a debate over abandoning NATO and the American claim to international leadership.

If the United States vetoes a land intervention — which is supported by majority French and British opinion — the United States can forget about NATO. Events since March 24 have already weakened confidence in American-assured collective security in Europe, or anywhere else.

Polls conducted last Thursday and Friday in Britain found that 66 percent of those surveyed expressed support for British participation in a NATO ground attack on Serbian forces — up 19 percent in a single week. Only 27

percent were opposed (with 7 percent undecided). A poll taken Saturday in France found that 58 percent supported ground intervention. In a separate French poll, 55 percent of the respondents favored French ground intervention, even without NATO.

The pressure against ground intervention comes primarily from Washington. Congressional opposition is very strong, although Newsweek says that 54 percent of the U.S. public would send troops "to help bring peace." Washington policymakers will see Kosovo through the distorting glass of the presidential campaign. Every act is weighed for its putative effect upon the American electorate. What defeat would do to American opinion worldwide is ignored.

This moral isolation is by now characteristic of Washington, and is potentially lethal for U.S. national interests. One might argue, and I have, that Western Europe's politically moribund dependence upon Washington needs to be broken for the good of both sides — but surely not by defeat at the hands of Slobodan Milosevic.

NATO planners cannot have neglected the intervention contingency. The forces exist. Air-mobile forces are available from the United States, as are British and French airborne regiments, rapid-reaction formations and special forces.

General William Odom of the Hudson Institute has proposed an armored thrust from Hungary, a new NATO member toward Belgrade, to dislodge Mr. Milosevic's government. This is politically tricky, as it could compromise the Hungarian minority in Serbia.

However, the size of Serbia and Kosovo together is less than that of Kentucky (about 103,000 square kilometers, or 40,200 square miles). Kosovo is the size of greater Los Angeles. A tank column can cross it in an hour.

NATO could certainly confront the Serbian police and troops, not only with armored invasion from the north and breakout by the NATO troops now in Macedonia, but also with an airborne landing sustained from Albania (less than 150 kilometers from central Kosovo) to launch operations in the center of the country, severing Serbian lines of communication.

It is time for speed and improvisation. The NATO military task is to drive organized Serbian forces out of Kosovo, destroy them and the present Serbian government, and restore order and authority in Kosovo. Much is said about the Serbian guerrilla potential, which is real. There is, however, no apparent reason why rearmed and retrained forces of the Kosovo Liberation Army could not clear surviving Serbian irregulars from the Kosovo mountains.

NATO should not attempt to occupy Serbia once its army is destroyed. Catastrophe scenarios, citing the Vi-

etnam example, consistently neglect the fact that NATO forces would operate in Kosovo against a hated Serbian invader, with support from the population and the KLA. In Vietnam, the United States supported a government actively or passively opposed by a popular majority, against the armed opposition of the most dynamic political-military force in the country.

The Kosovars wanted freedom, and the tactics of their KLA precipitated this crisis. Until now the Western governments have wanted Kosovo to remain part of Serbia. That no longer is possible. The Balkans are already profoundly destabilized.

NATO should support Kosovo independence in the hope that this might eventually be ratified as part of a larger Balkan settlement, negotiated with Kosovo's neighbors and a successor government to the present one in Belgrade, with Russian participation.

NATO and the United States continue to substitute palliative but morally hypocritical gestures — refugee airlifts and "temporary" resettlements — for military choices that would cost NATO lives. Death, however, is part of the military contract. The former French commander in Bosnia, Philippe Morillon, has said of America's illusions on this subject, "Who are these soldiers who are ready to kill and not ready to die?"

International Herald Tribune.  
Los Angeles Times Syndicate.

## A NATO Victory Can Bridge Europe's Growing Divide

By Robert D. Kaplan

STOCKBRIDGE, Massachusetts — The humanitarian nightmare in Kosovo may be reason enough for NATO's involvement in the former Yugoslavia, but for the United States there are vital strategic stakes involved as well. These stakes justify the use of any NATO measures needed to defeat Serbia, including the use of ground troops, because nothing less than the future contours of Europe are now being decided.

When the East-West division of Europe was erased in 1989 with the collapse of the Berlin Wall, a new division immediately began forming: that between Central Europe and the Balkans. Even before the outbreak of fighting in Yugoslavia in 1991, the Central European states of Poland, Hungary and Czechoslovakia were pulling dramatically ahead of Balkan countries such as Romania and Bulgaria in terms of progress toward stable, democratic rule.

The admission of Poland, the Czech Republic and Hungary into the North Atlantic Treaty Organization has formalized this dangerous historical and religious revision of Europe between a Roman Catholic and

Protestant West and an Orthodox Christian and Muslim East.

However, Slobodan Milosevic's campaign in Kosovo has now given the West a chance to reverse this process. A real NATO victory, one that not only gives the Kosovars protection but also knocks Serbia off its perch as the region's military threat, would go a long way toward stabilizing the continent.

This is because the immediate impact of the current fighting is being felt well beyond the states of the former Yugoslavia, which all told constitute only a third of the Balkan peninsula. Three major Balkan countries — Romania, Bulgaria and Greece — though not directly threatened by the flood of refugees roiling Albania and Macedonia, are nevertheless at a pivotal point of political destiny.

In Romania, the largest and most populous Balkan state, there is a tenuous peace between the Orthodox Christian majority and the ethnic Hungarian minority, which is mixed Catholic and Protestant and lives in the northwestern region

of Transylvania. This relative calm is a significant achievement given that in the course of this century each group has occupied the other's territory.

Yet this social peace is threatened by the lack of modernization in the countryside and cabinet chaos in Bucharest, where economic reform is in slow motion and investor confidence is eroding. In Romania only the military is well run.

Though Romanians are Eastern Orthodox, the horrible memory of dark Stalinist decades makes them desperate for NATO membership, which would keep the military out of politics, stifle ethnic nationalist politicians and energize the elite in the direction of good government.

The same goes for Bulgaria, where the democratically elected cabinet is valiantly working toward economic reform but is besieged by criminal groups with links to Russian businesses and mafias. These groups put tremendous pressure on the government and effectively push the country into Russia's fold.

The Bulgarian elite is fight-

ing back but is legitimately afraid of being stranded at the far end of the Balkans, spurned by NATO and severed from Central Europe by instability in Kosovo and Macedonia.

Greece is the most misunderstood Balkan country. The West demands that Greece behave exactly like the other members of the alliance because it is middle class and a member of NATO. But it cannot, because it is in the Balkans and must adjust its foreign policy relative to its geographic position. Greeks know that they are fated to live next door to the Serbs long after any NATO troops leave.

Moreover, throughout the long centuries of Turkish occupation, Greeks were supported by their Orthodox co-religionists in Serbia and Russia — a fact of history with effects that run deep. And, having never experienced Soviet occupation or communism, Greeks have a romantic attachment to Russia that does not exist in Romania or even Bulgaria.

The Greek government is supporting the United States as best it can, given the pressures upon it from both the political left and right. But if the Serbs humiliate NATO, Greeks will act in self-interest. Their NATO ties will be reduced to an official trapping, even as they deny this very fact and quietly intensify links with their fellow Orthodox in Moscow and Belgrade. After 47 years of NATO membership, Greece could be lost.

Appeals to conscience will not keep Greece a de facto member of NATO, nor will they keep Romania and Bulgaria from slipping into the sway of Russia. What is required is nothing less than a complete NATO military victory. Indeed, while the Greeks and the Macedonian Slavs despise each other, as Orthodox Christians they equally despise the Muslim Kosovars. Few in the region can be expected to feel sympathy for the Islamic refugees, who disrupt the fragile religious and ethnic balance in neighboring countries, already burdened by weak governments and high unemployment.

Thus, if the bombing campaign fails and NATO gives up at the negotiating table, it would seal Europe off according to medieval lines with the newly expanded NATO a mere variation of the old Holy Roman Empire — the old Christian West, that is — and with the Near East beginning where the old Ottoman Turkish Empire once did, roughly on the border between Croatia and Serbia and somewhere in Transylvania where ethnic Hungarians meet Romanians.

In 1834, entering the autonomous Ottoman principality of Serbia from the Hapsburg Empire, the English travel writer Alexander Kinglake wrote, "I had come, as it were, to the end of this wheel-going Europe, and now my eyes would see the Splendour and Havoc of the East." That same demarcation between East and West will re-emerge unless Slobodan Milosevic is crushed with air and ground troops and a NATO protectorate is established in Kosovo and Macedonia.

Only Western imperialism — though few will like calling it that — can now unite the European continent and save the Balkans from chaos.

The writer is a correspondent for The Atlantic Monthly and the author of "Balkan Ghosts: A Journey Through History." He contributed this comment to The New York Times.

## A Superpower Alone Cannot Impose Peace

By David Ignatius

WASHINGTON — One of the most poignant — and potentially dangerous — dynamics in the modern world is the way that weak ethnic groups come to believe that a superpower can save them from a regional bully.

We are seeing that explosive process unfold now in the Balkans. For the moment, clearly, we have no choice but to fight on behalf of the weak Kosovars who depended on our promises of protection. But we need to understand the underlying forces at work here to avoid potentially disastrous mistakes in the future.

The problem, in essence, is what I would call "the law of disproportionate interest." This holds that a regional power like Yugoslavia, whose interests are engaged in a visceral way, will almost always have greater patience and resolve than a distant superpower, which is interven-

ing for reasons that are morally sound but pragmatically weak.

I watched this dynamic play out in Lebanon, where the Maronite Christians dreamed that a great power would rescue them from their geographical fate of living next door to a brutal Muslim-led Syria. The Lebanese Christians imagined at various points that the French could save them, or the United States, or Israel or the Vatican.

Two potential deliverers — Israel and the United States — actually went to war on their behalf. But the regional bully, Syria, had a staying power that we Americans lacked. Lebanon regained stability only with the Taif agreement of 1989, which implicitly recognized Syria's hegemony.

The Balkans in the 1990s have provided a stark example of the power of the weak, through their very suffering and powerlessness, to gain international support. The Bosnian Muslims turned their victimhood in Sarajevo into a kind of weapon — really their only weapon — against the regional bully, the Serbs. The great powers finally sent in troops to enforce shaky peace agreements. But the fact remains that a stable Bosnia can exist over the long run only if it reaches an accommodation with a Serbian-led Yugoslavia, which will remain the dominant force in the Balkans.

Now in Kosovo, NATO has embarked on what may prove the most dangerous test yet of this regional power dynamic. With Western support, the Kosovo Albanians came to believe that they were a potent force — to the point that they actually balked at signing the

## A Plea for a Chinese Dissident

By Xu Jin

THE visit to the United States by Prime Minister Zhu Rongji of China is an important opportunity to raise the case of my father, Xu Wenli, and other imprisoned members of the China Democracy Party, including Wang Youzhi and Qin Yongmin.

In 1981 my father was sentenced to 15 years in prison for publishing a newsletter and advocating free speech as a leading member of China's pro-democracy movement. He was charged with "counterrevolution," a crime that no longer exists in Chinese law. In 1993 he was released but kept under virtual house arrest.

In November 1998 my father peacefully organized the Beijing-Tianjin branch of the China Democracy Party. All of his actions were closely monitored, but all he did was to help China have a better, more open system. Now he is in jail for what he believes in. What are his "crimes"? He published statements express-

ing dissatisfaction with one-party dictatorship. He called for autonomous trade unions and a change in the electoral system.

He did everything openly, legally and peacefully. My father's actions were fully protected by the International Covenant on Civil and Political Rights, which China signed in October 1998, and the UN Universal Declaration of Human Rights.

On Dec. 1, 1998, after a three-hour trial, the Beijing People's Intermediate Court sentenced Xu Wenli to 13 years in prison for subverting the power of the state. The trial was a sham. The Chinese government has violated its own laws by putting my father in jail. The government claimed that the trial was "open," but only my mother got a ticket to attend, and she was told not to take notes. Other friends, the foreign press,

The writer is the daughter of Xu Wenli. She contributed this comment to The Washington Post.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1899: Trading Islands

WASHINGTON — State Department officials are watching with great interest the growing sentiment among inhabitants of the Leeward Islands and Jamaica in favor of annexation to the United States. It is mainly a question as to whether Great Britain would be willing to relinquish sovereignty over the Leeward Islands in return for the Philippines. As far as the United States is concerned, public sentiment here would be entirely favorable to a trade.

## 1924: Albania Killings

ROME — Two Americans were killed by unknown persons on the road from Tirana to Scutari, in Albania. The Albanian Press Bureau in London states that the Albanian Government immediately took strong measures to secure the arrest and punishment of the

criminals. The Bureau adds that the Government "is convinced that the crime has been committed with a political aim and with the intention of discrediting the Albanian State in the eyes of the world."

1949: American Duty

WASHINGTON — President Truman said that he "would not hesitate" to use the atomic bomb again if the "welfare of the United States and the democracies of the world" was at stake. He said, however, that the North Atlantic pact will "prevent our having to make a decision of that sort." He said: "You want to continue to see this great country of ours grow and do the right thing for all the people of the world because the welfare of the world is now our responsibility. Whether we like it or not, we have been forced into that position by two world wars."

## OPINION/LETTERS

## Netanyahu Goes Too Far With a Campaign of Fear

By Uri Dromi

**JERUSALEM** — Traffic in Jerusalem is usually heavy, so no wonder, one day late last month, it only took minutes for the line of black cars to bring everybody to a halt. The taxi driver asked me if I knew what was going on. A state visit, perhaps? I guessed these were the European ambassadors in Israel, coming to see Foreign Minister Ariel Sharon.

A week before, in Berlin, the European Union declared its unequivocal support of the Palestinians' right to declare a state. Now it was Israel's turn to tell the Europeans to mind their own business. Let them solve Kosovo first.

The driver couldn't care less. A Palestinian state? Everyone knows that sooner or later there will be one, he mused, so what was all this fuss about? Maybe, he said, once the Palestinians have a state of their own, they'd just leave us Israelis alone. We might even be better off, he concurred.

I decided to walk. As I slammed the door, I noticed a sticker on the back of the cab: "Netanyahu. A Strong Leader for a Strong People."

True to his image, Prime Minister Benjamin Netanyahu, when denouncing Europe for its approval of a Palestinian state, used even stronger language than Mr. Sharon did with the ambassadors. "It is a shame," he declared, "that Europe, where a third of the Jewish people were killed, should take a stand which puts Israel at risk and goes against our interests."

Trivializing the Holocaust and exploiting it for election purposes is a questionable tactic, indeed. Mr. Netanyahu, however, is desperate to put fire into the domino campaign. With elections a little more than a month away, his main rival, Ehud Barak, might turn the staggering Israeli economy into a winning card. That is why the prime minister tries to frighten us with a demon called Palestinian State.

Does Mr. Netanyahu really believe that a small, demilitarized state, economically dependent on Israel, would possibly pose an existential threat to its mighty neighbor? He does. Just read his book, "A Place Among the Nations." It is about anything except Israelis and Palestinians living side by side in peace, in their respective

The Israelis, however, do not

seem to fully agree with their prime minister. According to recent surveys conducted by Tel Aviv University, most Israelis would not lose a good night's sleep over the threat of a Palestinian state. Their greatest fear, rather, is the possibility of Iran or Iraq having nuclear weapons. A Palestinian state does not even rank second on the Israeli horror list. Israelis are more concerned about the widening rifts between haves and have-nots, between Orthodox and non-Orthodox Jews, between Arabs and Jews in Israel.

Another survey, carried out precisely when Mr. Netanyahu and Mr. Sharon were reprimanding Europe, shows not only that more than two-thirds of the Israelis believe a Palestinian state will be established, but that there is a slight majority of them who actually think the Palestinians deserve a state of their own.

Why, then, does Mr. Netanyahu, using rhetoric of the 1980s, insist on raising the empty threat of a Palestinian state? Is it possible that such a sharp politician can't hear what even his supporters, like my taxi driver, are saying?

If so, then when he and his American adviser Arthur Finkenstein, a master of negative campaigning, find out they are not getting the desired results, they might try to put some more fear in the hearts of Israelis. Last time, they came up with television ads showing a breaking glass with then-Prime Minister Shimon Peres holding hands with Yasser Arafat. The caption read: "Peres Will Divide Jerusalem." Cheap and nasty as it was, it worked."

This time, they will have to go one step further, perhaps showing wreckage of an airplane that just took off from Ben-Gurion airport, near Tel Aviv, presumably shot down by missiles launched from the nearby Palestinian state.

But even an image such as that may not work for Mr. Netanyahu, because, as the surveys show, for the first time in four years, more than 50 percent of Israelis believe that the Arabs would not want to destroy Israel even if they could.

*The writer was the director of the Israeli government press office from 1992 to 1996. He contributed this comment to the International Herald Tribune.*



## LETTERS TO THE EDITOR

## The 'Other' Serbia

Stephen Rosenfeld's commentary ("Look Again: Resist the Temptation to Demonize the Serbs," March 29) was a welcome, if belated, effort to level the editorial playing field that has been sadly askew since this round of Balkan wars erupted nearly a decade ago. From the start of this horrid mess in 1991, the "other" Serbia that Mr. Rosenfeld describes has had too few articulate spokesmen — or journalists have failed to seek them out.

Fifty-eight years ago, Serbs rose up to bring down their own government, which had signed a pact with Hitler under great pressure from the Axis powers. These Serbs became the allies of the powers opposing Nazism for the duration of World War II and at a crucial point kept German divisions tied up in the Balkans for weeks, slowing the German assault on Russia.

The NATO countries apparently have forgotten this bit of history. They have embarked on an arrogant, reckless policy that seems determined to alienate the Serbs, who are essential to making peace in the region.

With its bombing campaign, the North Atlantic Treaty Organization is giving the Albanians of Kosovo reason to dream that, too, can have an independent state, carved out of Serbia's medieval heartland. The allies dis-

miss Serbia's objections to this scenario and further inflame its beleaguered and unbalanced nationalism with talk of arming and training the Kosovars.

Allied strategy fails to consider that both sides in this conflict believe their causes are just and that both are drawing upon entrenched ideologies and values.

If NATO is serious about promoting peace it must pause in its bombing and get both sides back to the negotiating table at once, enlisting Russia as an honest broker to reason with the Serbs.

And, not too far in the future, the partition of Kosovo should be considered, keeping the area with the most monasteries and churches that are Serbia's medieval legacy in the Yugoslav federal republic and giving Albanians control of the remaining territory. Though sad, this — and not NATO bombing — may be the best of the bad options available.

JOAN McQUEENY MITRIC

Kensington, Maryland

## Republican Physics

In the 1920s, the Bolsheviks characterized Einstein's theory of relativity as "bourgeois physics." Now we are faced with a new phenomenon: "Republican physics." After a decade of fruitless research and the expenditure of billions in military laboratories to develop an anti-missile "um-

brilla," Republicans in the United States are calling for a massive revival of this effort.

The Clinton administration has even been castigated for failing to threaten the North Koreans with this unattainable weapon.

FREDERICK G. SCHAB

New York

## Overlooked Books

Regarding "Is the Information Age Making Us Any Wiser?" (March 16):

To write that "at the height of the Renaissance, there were people who could claim plausibly to have read every important book ever written" ignores the extensive literature of the Arabs and Persians, to say nothing of the innumerable Hindu works of religion, poetry, drama and philosophy. By the 15th century in China, any moderately well-off scholar had a library larger than the 199 books of Queens College in 1472.

JOHN RAY

Fontenay-Trésigny, France

*Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.*

## Real Ties Being Destroyed During 'The Internet War'

By Ellen Goodman

BOSTON — There are times in my life as a frequent flier when I glance at the plane phone and wonder: What would I do if this plane were in trouble? Would I call home? Would I reach out to make a final contact?

I think of the doomed climber on Mount Everest who talked by radio-telephone link to his wife as he

## MEANWHILE

died three years ago. He was hopeless, on an icy mountain in Nepal. She was helpless, in a cozy home in New Zealand.

These are not ordinary events or everyday fantasies. But it seems to me that all the new tools of communication tease us with the possibility that we can reach out, especially in a crisis, over vast distances and deep gulfs of experience. We can make a human connection.

Now this expanding technology is changing our experience of that deepest human crisis, war, and feeding another illusion. We are knee-deep in what has been dubbed "The First Internet War."

The Vietnam War was The First TV War. Historians tell us that the images beamed into living rooms made us Americans rebels. Maybe so, or maybe that is when we learned that you could get up from the sofa during a battle and get a Coke. The Gulf War was a first, too. The First Live War, broadcast in CNN time and "You Are There" color. It, too, brought war home — or let us be comfortable voyeurs to a live firework show over Baghdad.

The conflict in Kosovo is a charroom war, an e-mail war, a Web-site war, a war in which anyone with a personal computer and a phone line can become a correspondent. A war in which anyone with a PC and access to the Internet can log on to the war zone.

It is the human-to-human connections that make this war correspondence unique. An ethnic Albanian e-mails his story to whom it may concern:

"When darkness comes I will have to leave my home again and find some place to hide."

A Macedonian writes into the ether about the refugees in her house, especially the little boy who puts some of every meal in a plastic bag to save for his missing father.

On the Albanian border, a Serbian monk sets up a Web site. In Belgrade, an architect laments the destruction of buildings created by a follower of Le Corbusier.

A physicist educated in the United States writes long, urgent e-mails insisting, "We are all similar deep down."

And a high school boy in California holds onto the messages from an Albanian high school girl in Kosovo about fear and music, life under siege and "the luckiness I feel for just being alive."

The only people not logging on, it seems, are the desperate refugees in camps and fields. But there is a true disconnect, an odd duality, in the notion of an Internet War. The Internet in all of its immediacy gives us the impression that we live in a world that is growing smaller by the day, more high-tech by the week. The war in the Balkans tells us about a world in which people are splintered by tribes as tribes.

The Internet makes us believe that we can be in touch all the time. War teaches us about the devastating breakdown of ties, the bleak refusal to understand.

Those who linger on-line may think of themselves as citizens of the world. But the warmongers talk of "ethnic cleansing." The Internet breeds a population at home in cyberspace; the war creates hordes of homeless refugees.

And even as the Internet watchers take pride in erasing time zones, they remain as disconnected from the war victims and the brutality that surrounds them as a wife in New Zealand was from a husband on Mount Everest.

Albert Einstein once said that the atom bomb "has changed everything save our modes of thinking, and thus we drift toward unparallel catastrophe." The Internet has changed much about the way we can communicate. Yet in this most recent drift toward catastrophe it does little to change the old modes of thinking, the ancient habit of hating.

So we log on and log off this war at will. Meanwhile, a video artist about to escape Belgrade writes in her e-mail diary: "And the news is: really bad. ... If there will be no more electricity, I'll continue sending messages through the clouds. Someone may catch it."

*The Boston Globe.*

## BOOKS

## FREDDY NEPTUNE

A Novel in Verse  
By Les Murray. 255 pages. \$25. Farrar, Straus & Giroux.

Reviewed by Richard Eder

**FREDDIE BOETTCHER**, an Australian farm boy of German descent, runs off to sea before World War I. In Constantinople he contracts leprosy; the disease is arrested, but it leaves him unable to feel pain or any other physical sensation in most of his body.

This physical blankness pits enormous strength against a wildly extravagant career. He is impressed into the German Navy, serves at a British cavalry station in the Middle East (he meets Lawrence of Arabia and judges him a popinjay), works at a rough laborer back in Australia and as a circus强手 (where he gets the name Freddy Neptune), and goes on a weird gangster mission to the United States.

He rides the Depression rails, becomes a Hollywood extra (Mariene Dietrich brings him lunch and recites Rilke), serves on a German zeppelin, beats up brownshirts in Bavaria, is strafed by Japanese planes in World War II and scouts with Australian commandos in New Guinea. Finally, he settles back home with his patiently resourceful wife, two grown children and a mentally impaired German boy he had rescued years before from a Nazi sterilization squad.

All this (I've been chokingly succinct) makes "Freddy Neptune" sound like an antipodean *Tintin*. Yet the subtitle suggests that this suspiciously hyperbolic ricochet through the hell of our century is a novel disguised as a poem. In fact, it is a poem disguised as a novel disguised as a poem.

Les Murray, neither cartoonist nor novelist, is Australia's most distinguished poet. At the heart of "Freddy Neptune," a heart that only quite reveals itself toward the last of its 10,000 blank-versc lines, is a notion so audacious and unnerving as to belong to

poetry's flash of transforming revelation, not fiction's tidal sea-changes.

Part of the revelation is the meaning of Freddy's physical numbness. We know it has a metaphorical purpose from the beginning. Soon we realize that his role is to be a witness to the terrible events of history. No detached witness, Freddy launches himself at every outrage as well as he can, which is not very well. He is a Superman who can't fly, a Paul Bunyan hampered by the timidity of blue calcifies. Numbness is his only strength, as well as he can, which is not very well.

"Freddy" is only 255 pages, yet so much is packed in each line (a page would be a chapter of a regular novel) that it seems of epic length. That is far for the numbness metaphor to extend. Metaphors are leaps; in an instant they carry us past 30 minutes of explanation. In

"Freddy" we may find ourselves trudging with the metaphor on our back, until the end, when it launches into full flight.

The quality of the adventures varies. The first 80 pages ring an entrancing set of changes from the very first line ("That was sausage" to Freddy's return to outside Dungog) to

the very end of the novel. The intensity of the verse form magnifies the flaws.

Still, Murray's way with language and imagery is thrilling when it has action and character to sustain. He has given his protagonist a biting plebian voice, a veracular that soars. Here is Freddy describing an attack by spidery World War I planes in Palestine:

Three came straining over

from down south, rocking, hanging

their pony-trap wheels.

In front of those north hills they stopped and braced above ground on their guns' funny pencilings.

He speaks of his estranged body, impossible to pleasure (his sexual partners have to tell him when he's ready and when he's finished) and pain. To avoid suspicion, he learns to " curse when burnt, hunch when you see it's cold" and "remember to get fired."

The real meaning of Freddy's condition lights up at the end, igniting circuits laid earlier. We realize what the physical deadness signifies: not only defense but amnesia for the world's evil. His leprosy struck him in Constantinople when Turks doused a group of Armenian women with kerosene and set them alight, "dark wicks to great orange flames/whopping and shrieking."

Its numbness lifts, finally, only after the final horror: the mushroom clouds over Japan, whose lethal whiteness Freddy prefigured in his own long white-out. Despairing, he asks how to pray. The answers are shocking: "Forgive the Aborigines," a voice tells him. Then, "Forgive the Jews." Then, "Forgive women." ("Those burning," he asks. "All women," the voice replies.)

It is brilliant, it is awful. Wrong-headed? Suddenly Murray shatters a deadly contemporary cycle of evil and apology — Holocaust, apartheid, slavery, Guatemalan genocide. There is something freezingly inert about apology: a way of getting off cheap, of clothing evil with virtue and, even, a new aggression against the victims.

Forgive the Jews, the Aborigines, the Guatemalans? Why? "For being on our conscience." Yes, it is wroog-headed, even literally: It stands reason on its head. Murray blasphemes, but then poets do have the license. Virtuous answers doze off; a poet can provide dreadful questions to jolt them awake.

Literature is an ax wielded against the frozen sea within us, Kafka wrote. Kafka's ax is barbarous but something has just cracked inside me.

New York Times Service

## BRIDGE

By Alan Truscott

**N**EARLY all the top seeds survived in Vanderbilt's Knockout Team play at the Spring Nationals of the American Contract Bridge League in Vancouver, British Columbia. The only exception was the 10th-seeded team of Bart Bramley, Sidney Lazarus, Howard Weinstein and Steve Garner, all of whom won bronze medals in the 1998 world championships and played in Vancouver with Peter Nagy, Hugh Ross and Peter Nagy. They lost by 35 imps to Mitch Dumit, Jill Meyers, Steve Beatty, Alan Falk, Dick

Bruno and Jeff Schnett.

The second-seeded team of Richard Schwartz, Bob Goldman, Steve Weinstein and Bob Levin suffered the biggest upset, losing by 20 to a group with a New York City nucleus: Nicholas Hartung, Dan Piro, Gene Prostak and Ira Ewen. Piro, a former New Yorker who now lives in California, brought home a doubled contract on the diagrammed deal.

He opened with a weak notrump as South, and his partner transferred to spades by bidding two hearts. West doubled for takeout, and East decided that his best chance lay in defending. West led his singleton spade, trying to cut

down ruffs, and South won with the ace and led a heart.

West played low, and when the queen won, South ducked a club to West.

A low diamond was returned, and South won with the king in dummy. He crossed to the club and led a second heart. West took the ace and played a third club, and South ruffed in dummy and cashed the heart king. A diamond to the ace and a diamond ruff gave him eight tricks, and he conceded the last three to East. In the replay the same contract was made undoubled, and Piro and his teammates gained 8 imps en route to victory.

West led the spade eight.

**NORTH (D)**

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NYSE

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The 2,300 most traded stocks of the day.  
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Herald Tribune  
**BUSINESS/FINANCE**

THURSDAY, APRIL 8, 1999

PAGE 13

## Difficult Call For Europe's Central Bank

**Pressure for a Rate Cut Builds on Eve of Meeting**

By Edmund L. Andrews  
New York Times Service

**FRANKFURT** — Hans-Joachim Becker thought he had endured the worst, until a few months ago.

As a managing director at Barmag AG, a manufacturer of textile machinery near Dusseldorf, Mr. Becker pushed his company through a brutal restructuring that eliminated 2,000 of 5,000 jobs in 1995.

It seemed to work brilliantly. Sales bounced back to a near-record level of 1.1 billion Deutsche marks (\$609 million) last year, and profit soared 49 percent to 75 million DM.

But now thanks to the financial crises in Asia and Latin America, the market has collapsed. Orders for new machines have plunged 44 percent, and Mr. Becker predicts that sales this year will drop from 1.1 billion DM to 630 million DM. Two hundred people were laid off last month, and another 200 may have to go before the year is over.

"There is absolutely no investment in this business," Mr. Becker said Wednesday. "We have millions if not hundreds of millions of consumers who are not able to afford a new shirt."

Though Barmag's case is extreme, it is not unique and goes to the heart of the challenge that confronts the European Central Bank when it decides Thursday whether or not to lower interest rates.

Many analysts say that the new central bank, which has until recently dismissed the need for rate cuts, has now become sufficiently alarmed about Europe's prospects and is about to reverse course.

The same is true for the Bank of England, which has already cut interest rates several times in the past few months.

A lot is at stake. As guardian of the new European currency, the euro, the European Central Bank is worried about establishing its credibility with financial markets. It must also reckon with contradictory trends: Growth is stagnant in Germany but still strong in Spain, Portugal and Ireland; business confidence is low in many countries, but consumers are more optimistic than they have been in years.

But the bigger question is whether a moderate cut in interest rates will make a big improvement. Europe's biggest problems stem from the decline in exports to Asia, Russia and Latin America, where many countries are still in deep recession, and those problems have very little to do with domestic interest rates.

"We already have an expansionary monetary policy," said Petra Koehler, a senior economist at Dresdner Bank in Frankfurt. "Monetary policy is not what is burdening the economy."

Indeed, baseline interest rates in the euro zone have been 3 percent since Europe's central banks collectively lowered rates from about 3.3 percent last December. Though Europe has reduced rates less than the U.S. Federal Reserve Board, the baseline rate is still about 170 percentage points lower than the federal funds rate.

But Germany's problems have been aggravated because its principal source

See EURO, Page 14



Photos by The Associated Press  
Universal Music's artists include, from top, Elton John; U2 and its lead singer, Bono; and Herbie Hancock.

## 2 Largest U.S. Record Companies Join to Market Music on the Web

**Universal-BMG Venture Will Build Off Several Existing Sites**

By Saul Hansell  
New York Times Service

**NEW YORK** — The two largest U.S. record companies, Universal Music and BMG, announced Wednesday that they were forming a joint venture to create Internet sites to promote and sell music.

The move recognizes the growing importance of the Internet, both in building an audience for musicians and in selling music. This year, an estimated 2 percent of the compact disks sold in the United States will be bought over the Internet.

The Universal-BMG venture will build off several sites where BMG has already started to promote its artists, industry executives said. These include Peeps.com, a rhythm-and-blues site; Bugjuice.com, for alternative music, and Twangthis.com, for country music. Universal Music artists in each category will be added to these and other sites.

These genre-based sites will feature information about and interviews with artists, chat rooms for fans and live music broadcasts. The companies hope to attract a large audience because, as record companies, they have access to better information about artists than other retail sites. Besides promoting their own records, they will probably sell advertising.

Moreover, these sites will link users to a new Internet music store established by BMG and Universal called Getmusic.com.

Unlike the genre sites, which will promote only Universal and BMG artists, Getmusic will also sell the music of artists from the other major labels and independent record compa-

nies. BMG is part of Bertelsmann AG, the German media conglomerate, and has labels such as Arista, Elektra, Nonesuch and BMG Classical and artists including Whitney Houston, Puff Daddy and Sarah McLachlan.

Universal Music Group is an arm of Seagram Co., which bought PolyGram NV last autumn, and has labels such as MCA, Geffen, Def Jam, Mercury, Motown and A&M, with a roster of artists ranging from Elton John to Herbie Hancock to U2.

In the United States, Universal is

The move recognizes the growing importance of the Internet, both in building an audience for musicians and for selling music. It is one of the most positive things that could happen.

the largest record company, with a 27 percent share of the market. BMG is second, with 17 percent.

A few years ago, it would have raised eyebrows for a manufacturer of any product to compete with its dealers by opening an on-line retail enterprise. But the Internet has caused many companies to open channels for direct sales.

Bertelsmann, which also owns Random House, the largest book-publishing company in the United States, has bought half of Barnesandnoble.com, the on-line bookstore. And Time Warner Inc.'s Warner Music and Sony Music — the third- and fourth-ranked labels — have already opened a joint music store, called Total E, which is run through the Columbia House music club and is owned by the two companies.

Total E, however, has had relatively

little effect on the market so far. The two leaders in on-line music sales are CDNow, which recently bought its rival N2K, and Amazon.com, the big on-line bookstore.

The Universal-BMG deal "is one of the most positive things that could happen," said Jonathan Diamond, the chairman of CDNow.

"It is further validation of the Internet as a major promotion and retail channel."

This deal sets the stage for record labels to allow people to download music to their computer. Currently, there is a frenzy among Internet users who are downloading illegal copies of songs using a technology called MP3. The record industry is trying to develop an alternate technology that will prevent copying without paying royalties to the labels and artists.

For now, Getmusic.com will not offer digital downloads of music, but they may be added later, when record-industry standards are settled.

While opening an on-line store is relatively easy, getting business is not. Amazon.com, for example, continues to leap further and further ahead of Barnesandnoble.com. And in its first full quarter of selling music, Amazon, with its rapidly growing customer base, sold more compact disks than either N2K or CDNow.

But the newly merged CDNow has some advantages that the new Getmusic.com will not be able to duplicate easily. It has 1.6 million customers (still well short of Amazon's 8 million) and exclusive promotion deals on most of the more popular sites on the Internet, including America Online, Yahoo! and Excite.



Photos by The Associated Press  
BMG's artist roster includes, from top to bottom, Whitney Houston, Sarah McLachlan and Puff Daddy.

## A Powerful Mexican Partnership Ends as Televisa Stake Is Sold



Alejandro Burillo Azcarraga, left, and Miguel Aleman Magnani shaking hands after the deal was announced. Emilio Azcarraga Jean is at center.

By Julia Preston  
New York Times Service

**MEXICO CITY** — In a momentous but amicable parting of two of Mexico's most powerful business dynasties, the Aleman family is selling its 14 percent stake in the holding company that controls Grupo Televisa SA, the largest broadcast network in Mexico.

The Aleman family's decision was disclosed Tuesday at a ceremonial news conference by the two young men who recently took control of their family empire. Miguel Aleman Magnani, 32, is a vice president of Televisa and grandson of a former president of Mexico; Emilio Azcarraga Jean, 31, is Televisa's chairman and the son of a legendary entrepreneur who built the company from a string of radio stations into a huge conglomerate.

The sale of the Aleman's share of Grupo Televisco SA de CV, the holding company, decisively consolidates the dominance of the Azcarragas in Televisa, reinforcing the control of Mr. Azcarraga Jean in a sometimes uncertain transition after the death of his father in April 1997.

Both Mr. Aleman Magnani and Mr.

Azcarraga Jean took pains to insist that their separation was friendly.

In fact, dispelling the rumors of quarrels between the families, whose Televisa partnership dates back 50 years, appeared far more important to them than disclosing the financial details of the transaction.

Mr. Azcarraga Jean said that because Televisocentral was a private company, the families had agreed not to disclose the share price to be paid for the Aleman holdings.

Nor would he say how Televisocentral, which is carrying \$533 million of debt after a revamping in February, planned to finance the purchase, valued at about \$200 million based on Televisa's latest share price. He said that several options existed and that the Aleman family was not pressing for a quick decision.

"I would be very surprised if there is any more debt capacity there," said Tim Baker, director of research for Warburg Dillon Read in Latin America. The agreement with the Aleman leaves open the door for a major new partner.

Xavier Von Bertrah, a Televisa executive, said there was "no way" that minority shareholders would be hurt by the deal.

Mr. Aleman Magnani said it was his choice to leave Televisa to start a new group of Aleman businesses.

"Now it's my turn," he said, recalling how he had agreed to stay in Televisa to help Mr. Azcarraga Jean secure his grip after his father's death. Mr. Aleman Magnani did not say what kind of enterprise his new group would undertake.

Before Tuesday, Mr. Azcarraga Jean and his family owned 72 percent of Televisocentral, which controls 26.5 percent of the voting shares of Televisa.

Mr. Aleman Magnani dismissed speculation that his father, Miguel Aleman Velasco, wanted to get out of Televisa to stifle possible criticism if he runs for president of Mexico next year. Opposition parties complained that favorable coverage of Mr. Aleman Velasco by Televisa helped him win election as governor of the state of Veracruz last year.

Working against steep odds, Mr. Azcarraga Jean has surprised many analysts with the turnaround he achieved at Televisa, which his father ran as a personal fief. Mr. Azcarraga Jean pared the work force to 16,500 from 23,000 and shaved other costs while widening Televisa's ratings advantage over Televisa Azteca, its main competitor.



Yevgeni Primakov at a cabinet meeting Wednesday.

## Russians and IMF Open Crucial Talks

By Neela Banerjee  
New York Times Service

**MOSCOW** — The International Monetary Fund and the Russian government began a critical round of negotiations Wednesday aimed at completing an economic program and loan package to avert the possibility of a Russian default on its foreign debt.

With its Treasury and central bank reserves depleted by the financial crisis that struck in August, Russia hopes to persuade the Fund to refinance about \$4.8 billion in loans coming due this year, most of them in the second and third quarters.

The country also needs an economic program approved

by the IMF to restructure nearly \$17 billion in debt payments it owes to a group of Western lenders.

If Russia fails to get the Fund's approval, it is likely to default on all its foreign debts.

"Time is running out for Russia," said Christopher Granville, a strategist for the Russian subsidiary of Robert Fleming, a British brokerage.

Russia has been wrangling with the IMF for months to win new loans to refinance its debts.

A breakthrough of sorts came last week when Michel Camdessus, managing director of the Fund, and Prime Minister Yevgeni Primakov issued a joint statement after a

meeting, noting that both sides had agreed to a primary budget surplus of 2 percent of the gross domestic product in 1999 and "most of the measures needed to achieve it."

It is now up to the Russian cabinet and a IMF delegation of economists that arrived here Tuesday to work out the details of those measures, which are of a sort that is consistently among the toughest obstacles to completing aid packages.

At the heart of the problem is a budget shortage of about 30 billion rubles (\$1.19 billion), Russian economists estimate.

To reach an agreement with the Fund, Moscow must find ways to raise enough revenue to fill the gap, including taking such unpopular steps as imposing a tax on gasoline or export tariffs on metals and other raw material.

Changes in the tax code must be approved by the Communist-controlled lower house of Parliament, which opposes legislation linked to the IMF.

Russia's strained relations with the West, especially the United States, over NATO attacks in Yugoslavia, will make things even harder.

The Russian legislators recently undermined IMF talks by voting for a cut in the value-added tax, which accounts for nearly half of budget revenue, according to the Russian-European Center for Economic Policy, a research group.

Skeptical so far about entering into a long battle with Parliament, Mr. Primakov's cabinet has taken "a salami-

slicing approach to negotiations with the IMF," said a Western diplomat, speaking on condition of anonymity.

"Instead of developing a few major efforts to discuss with the IMF," the envoy said, "the Russians come up with 400 nickel-and-dime measures that grind down their opponents across the table. It shows a political weakness."

Despite the government's waffling, most economists in Moscow say that the IMF and the Russians will announce an economic program in the coming days and that the Fund's board will approve the new credits at its meeting at the end of this month.

Clearly, neither side wants a default. Russia owes the IMF \$19 billion, making it one of the lender's largest debtors. For the IMF and its major contributing nations, a default by Russia would signal the failure of their efforts to nurture market capitalism.

For Moscow, default could cause another round of possibly disastrous economic and political upheaval.

### ■ Tax Collection Report

The Russian cabinet told IMF negotiators of a modest success in tax collection, The Associated Press reported from Moscow.

The minister of taxation, Georgi Boos, said the Russian government collected \$2 billion in taxes during the first quarter of this year, slightly above the target of 43.8 billion rubles.

A true classic with "Roman hours" hand engraved.  
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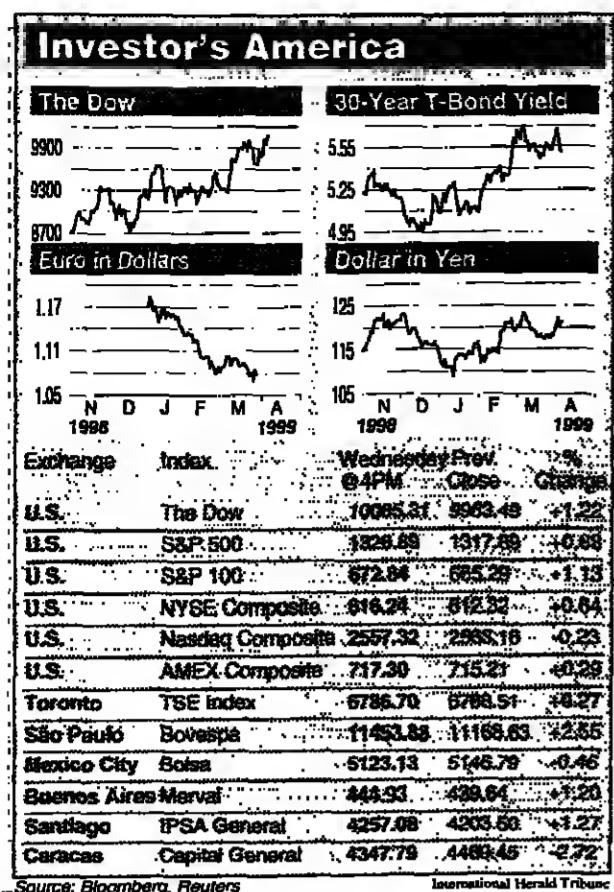
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Internet: www.corum.ch, e-mail: info@corum.ch

## CURRENCY RATES

April 7

Other Dollar Values

April 7 Other Currency



## Yen Warning Dow Smashes Old Record, but the Nasdaq Slides Helps Dollar Make Gains

Compiled by Our Staff From Dispatches

**NEW YORK** — The dollar rose against the yen Wednesday after Japanese officials again warned that too much strength in the yen could stifle the beginnings of the country's economic recovery.

"A strong yen is not desirable for the Japanese economy," said Mitsunori Kataoka, vice president of

**FOREIGN EXCHANGE**

trading at Bank of Tokyo-Mitsubishi Ltd. He added that Japan was showing signs of a rebound, "but it's not in a serious recovery."

The dollar rose to 121.75 yen in

4 P.M. trading from 120.525 yen Tuesday. The euro fell to \$1.0783 from \$1.0835 after NATO forces stepped up attacks on Yugoslavia following the alliance's rejection of Serbia's call for a cease-fire in Kosovo. Traders said speculation that the European Central Bank would cut interest rates Thursday was also weighing on the euro.

"People are waiting for a rate cut," said Tomas Jef, a currency analyst at Warburg Dillon Read. "That is what everyone is positioning for right now."

Japan's currency has climbed 20 percent against the dollar since last August, even as the economy is stuck in a long recession. The deputy finance minister for international affairs, Etsuko Sakakibara, reaffirmed that the gains were troubling, a warning that has helped to lift the yen from strengthening in the past month even as overseas investors bought Japanese stocks.

Analysts said Japan's central bank probably would keep interest rates near zero in the months ahead as the government tried to reignite the economy. Low rates have driven many Japanese to buy foreign currencies to invest abroad in higher-yielding financial assets.

The flow of money out of Japan is being offset by overseas investment in Japanese stocks, which are inexpensive compared to the record-high U.S. stock market. The benchmark Nikkei 225 index has gained 23 percent this year.

The dollar's rise was restrained by concern that Japanese exporters would sell dollars to repatriate overseas profits, traders said.

In other trading, the pound rose to \$1.5960 from \$1.5925, and the dollar rose to 1.4818 Swiss francs from 1.4750 francs.

(Bloomberg, Bridge News)

gan advanced 3½ to 127 7/16, and American Express climbed 3 3/16 to 126 7/16 to lead financial stocks. Their gains made up almost half the increase in the Dow industrials. BankAmerica Corp., the biggest U.S. bank, rose 3 3/4 to 73, and Chase Manhattan Corp., the second-largest, gained 4 1/4 to 84 1/2.

Steady interest rates and rising financial markets around the world should also boost profits

### U.S. STOCKS

for banks and brokers, investors said. "As people get more comfortable with the interest-rate outlook, it's helping interest-rate-sensitive stocks, especially the banks," said Thomas Theurkauf, a bank analyst at Keefe, Bruyette & Woods Inc.

Low rates spur demand for loans and also make banks' bond investments more valuable.

Brokers that sell stock on the Internet posted the biggest gains among financial shares.

E\*Trade Group soared 8 1/2 to a record 84 1/2, and

Donaldson, Lufkin & Jenrette Inc., owner of DLJ Direct, jumped 6 1/16 to 79 1/4.

The rally in computer stocks of the past two weeks fizzled. Microsoft Corp. fell 3 1/4 to 93 5/16, while America Online shed 11 to 156 1/2 and Oracle dropped 2 1/4 to 21 7/16.

Sun Microsystems, which had more than tripled since October and gained 32 percent in the past month, lost 1% to 138 1/4. "It's expensive" given the earnings outlook, said Mark Stoeckle, manager of the Colonial U.S. Stock Fund.

"We've been selling on the way up."

Stocks opened strongly as the aluminum maker Alcoa released first-quarter earnings that soundly beat analysts' expectations. The news from Alcoa, a component of the Dow, helped many blue-chips move higher. Alcoa itself was up 2 1/16 to 44. AT&T, another Dow stock, was up 4 1/4 to 84 1/2.

The benchmark 30-year Treasury bond gained 7/32 to 96 9/32, nudging the yield down to 5.50 percent from 5.52 percent. (Bloomberg, AP)

## Revlon Weighs Selling Businesses to Pay Debt

Compiled by Our Staff From Dispatches

**NEW YORK** — Revlon Inc., the mass-market cosmetics giant buffeted by a major restructuring and recent rumors that it was a target for takeover, said Wednesday that it might sell one or more of its businesses.

Revlon, which is controlled by the billionaire financier Ronald Perelman, said it had hired Goldman, Sachs & Co. and Lazard Frères & Co. to assist in a review of its strategy.

The announcement did not put to rest speculation among analysts and investors that Revlon could consider selling itself entirely.

Revlon's shares rose \$3.4375 to

close at \$23.4375. Revlon, makers of Charlie perfume and MoistureStay lipstick, among other brands, did not identify any of the businesses it might sell and said no decision had yet been made, nor was it certain that a sale would result from the review.

A spokesman for Revlon declined to elaborate on the statement, and there was no immediate comment from MacAndrews & Forbes Holdings Inc., through which Mr. Perelman owns his dominant stake in the cosmetics company.

Any suitor is expected to be most interested in Revlon's rapidly growing Almay line. Possible buyers include Unilever N.V., with its Elizabeth Arden cosmetics, and Procter & Gamble Co., maker of

Cover Girl, analysts said.

"Part of Revlon's business — like Almay — or all of it would be very attractive to a number of strategic buyers," said Paul Shaum, a fixed-income analyst with S.G. Cowen Securities Corp.

"Unilever would make sense because they need global brands, the success of their other lines of cosmetics, and they would have the cash," he said.

Revlon, which is based in New York, was saddled with a debt load of \$1.9 billion in long-term obligations at the end of 1998, according to its filings with the Securities and Exchange Commission.

A sale of businesses would provide money for Revlon to repay

the debt. Revlon has been hurt by declining sales abroad and by the erosion of foreign currencies when translated into the stronger U.S. dollar. The company generates more than a third of its revenue outside the United States.

In January, Revlon posted a net loss for the fourth quarter of \$69.1 million. It had a profit of \$41.4 million a year earlier.

Revlon reported restructuring charges of \$42.9 million at that time and said it would take about an equal amount this year.

For all of 1998, Revlon lost \$143 million, wiping out a profit of \$44 million a year earlier, and its sales were unchanged at \$2.25 billion.

(Bloomberg, Reuters)

## EURO: Central Bank Faces Rising Pressure for a Cut as Rate Decision Arrives

Continued from Page 13

of growth has been exports of machinery and equipment. Like Barmag, which makes machines that produce and weave synthetic fibers, scores of German engineering companies put themselves through wrenching cost-reduction programs earlier this decade.

Between 1991 and 1997, German engineering companies reduced their combined work forces by more than one-third, from 1.49 million people to 925,000. But they also became shrewder about marketing and design and persuaded labor unions to be more flexible about working overtime or on weekends.

Those strategies bore fruit over

the past two years. Aided by a decline in the value of the Deutsche mark, which made products cheaper in other markets, German exports had double-digit growth until financial crises began to roll through Asia in early 1998.

The problems have now sunk into many of Germany's and Europe's biggest industries. In the German chemical industry, led by companies such as BASF AG and Hoechst AG, exports declined by 9.5 percent in the last quarter of 1998 and are only limping along, and prices are under intense downward pressure.

For people such as Mr. Becker, there is little that the European Central Bank can do to help.

"With overcapacity so high and

prices so low, there is nothing you can really do to stimulate the market," he said. "The market will come back only when the buying power of consumers, mainly in Asia, comes back."

Economists note that manufacturers are only one face of Germany and Germany does not represent all of Europe.

Consumer confidence, even in Germany, is higher than it has been in a long time. Although retail sales remain flat, people are using credit cards more, to spend money on travel and entertainment.

While most analysts predict that the German economy will grow by less than 2 percent this year, down from 2.8 percent in 1998, Spain is

growing by 3.4 percent, Portugal by 4.0 percent and even France is expected to grow by at least 2.0 percent.

Those differences would make the European Central Bank's decision tricky enough. But the bank is also concerned about the credibility of the euro, which has dropped about 7 percent in value against the dollar since it was introduced Jan. 1.

Bank executives have repeatedly said they are not concerned about the exchange rate, viewing it merely as a result of underlying economic trends. But they are worried about being perceived as too relaxed on monetary policy or too vulnerable to political pressure.

### INTERNATIONAL FUTURES

Continued from Page 13

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### SINGAPORE: Blazing a Trail

Continued from Page 1

Both the meetings and the lifelong-learning program are among recommendations from a task force of 100 business leaders, civil servants and trade unionists, with contributions from international human resources and management consultants.

Their report is expected to be unveiled in June. But already several Singapore cabinet ministers have outlined some of the findings, to underscore the government's concern about the rise in unemployment to its current level of 4.3 percent.

The unemployment rate averaged about 2 percent during the years of rapid economic growth that followed Singapore's previous, short-lived recession in 1985.

As Singapore was hit hard by the regional slump, growth in the gross domestic product fell sharply to 1.5 percent in 1998 from 7.8 percent in 1997.

After shrinking in the last two quarters of 1998, the economy is technically in recession.

Although the overall economy continued to grow modestly in 1998 because of strength in the services sector, manufacturing declined 0.5 percent. As a result, 19,000 manufacturing workers lost their jobs, accounting for about two-thirds of the 28,300 job losses last year.

The manpower minister, Lee Boon Yang, said the School of Lifelong Learning would help workers to learn continuously to enhance their employment prospects.

Officials have emphasized that the program is crucial if Singapore wants to emerge strong from the recession and position itself to take advantage of any upturn in the region.

Prime Minister Goh Chok Tong noted recently that Singapore's neighbors would become more competitive once they put their houses in order because their currencies were cheaper and their workers hungrier.

Although the Singapore work force was rated the best in the world overall by a consultancy based in the United States, largely because of harmonious labor relations, its workers' technical skills lag those of many Western countries.

### INTEREST RATES

Wednesday, April 7

#### Government Debt

3-month 4-month 1-year 2-year 5-year 10-year  
British 4.860 5.211 6.105 6.625 6.85 6.94 7.421  
France 2.500 2.810 3.202 3.577 3.92 3.92 4.202  
Germany 2.200 2.440 2.645 2.917 3.152 3.397  
Italy 0.093 0.115 0.145 0.165 0.185 0.195 0.205  
Japan 2.800 2.870 3.045 3.125 3.187 3.255 3.345  
Spain 2.800 2.730 3.045 3.125 3.225 3.325 3.415  
United States 3-month 1-year 3-month 5-year 10-year  
U.S. 10-year 10.000 10.200 10.400 10.600 10.800 11.000

Source: Bloomberg

#### Money Market Rates

United States Today Prev. British  
Discount rate 4/15 4/15 4/15 4/15 4/15 4/15  
Federal funds 7/4 7/4 7/4 7/4 7/4 7/4  
Fed-100-day Cert. Deposit 4/15 4/15 4/15 4/15 4/15 4/15  
100-day Com. Paper 4.800 4.850 4.900 4.950 5.00 5.05  
Source: Bank of Tokyo-Mitsubishi  
Reuters

#### Labor Rates

1-3- month 3-month 6-month 12-month  
Dollar 4.30 4.46 4.91 5.02 5.13 5.21  
Euro 2.98 2.97 2.96 2.95 2.94 2.93  
Sterling 2.93 2.93 2.93 2.93 2.93 2.93  
Euro 1-month 2.90 2.90 2.90 2.90 2.90 2.90  
Euro 3-month 2.90 2.90 2.90 2.90 2.90 2.90  
Euro 6-month 2.90 2.90 2.90 2.90 2.90 2.90  
Euro 12-month 2.90 2.90 2.90 2.90 2.90 2.90  
Source: Bloomberg  
Reuters

#### Forward Rates

30-day 60-day 90-day 180-day 270-day 360-day  
Pound Sterling 1.5925 1.5915 1.5904 1.5904 1.5904 1.5904  
Canadian dollar 1.5265 1.5255 1.5245 1.5245 1.5245 1.5245  
Euro 1.5988 1.5978 1.5968 1.5968 1.5968 1.5968  
Yen 120.87 120.84 120.81 120.81 120.81 120.81  
Swiss franc 1.4747 1.4745 1.4743 1.4743 1.4743 1.4743  
Source: Associated Press

Source: Bloomberg

#### Gold Fixings

Morning Afternoon Change  
London Sterling 1.5925 1.5915 1.5904  
Canadian dollar 1.5265 1.5255 1.5245  
Euro 1.5988

## EUROPE

**BNP to Persist in Bid for Paribas and SocGen**

Compiled by Our Staff From Despatches

**PARIS** — Banque Nationale de Paris SA vowed Wednesday to persist in its bid to take over Societe Generale SA and Paribas SA, even after both banks rejected the on-solicited offer.

The plan for a three-way grouping of BNP, SocGen and Paribas "is far too important to be abandoned," BNP's chief executive, Michel Pebeau, said in an interview on the French radio network Europe 1.

"Today, on the stock markets," he said, "if you're too small, you risk being swallowed."

At separate meetings Tuesday, Societe Generale's board of directors and the supervisory board of

Paribas turned down BNP's bid, which was made March 9. The companies urged their shareholders to support the plan for a friendly merger of Societe Generale and Paribas that was announced Feb. 1.

But the votes rejecting the BNP offer were not unanimous. Societe Generale said one board member had voted against rejecting BNP's offer. At Paribas, two voted against rejecting BNP and two abstained. Each board has 16 members.

The rejection by the Paribas and Societe Generale boards is merely a recommendation to shareholders, an obligatory step in France. BNP presented "major risks" for shareholders. Paribas said the same thing.

(Bridge News, Bloomberg)

**Otto Versand In U.K. Deal**

Bloomberg News

**HAMBURG** — Otto Versand GmbH, a mail-order retailer, agreed Wednesday to buy Freemann PLC from Sears PLC of Britain. The purchase will double Otto's share of the British home-shopping market.

Closely held Versand, which also owns Crate & Barrel in the United States, did not disclose the purchase price. It said Freemans had sales of £562 million (\$895 million) in 1998. The acquisition, combined with the Gratian chain it owns, will lift Versand's market share in Britain to 15 percent.

The purchase gives Versand, which is the world's largest mail-order retailer, a bigger chunk of an industry valued at about £8.2 billion.

**WORLD STOCK MARKETS**

Wednesday, April 7

Prices in local currencies. In euros for EMU countries. Telekurs

High Low Close Prev.

Amsterdam AEX Index: 524.35

Previous: 524.35

High Low Close Prev.

Paris CAC-40: 477.20

Previous: 477.20

High Low Close Prev.

London FTSE 100: 477.20

Previous: 477.20

High Low Close Prev.

Milan Borsa: 257.00

Previous: 257.00

High Low Close Prev.

Paris CAC-40: 477.20

Previous: 477.20

High Low Close Prev.

Milan Borsa: 257.00

Previous: 257.00

High Low Close Prev.

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**Wednesday's 4 P.M.**  
The 1,000 most traded National Market securities in terms of dollar value, updated twice a year.

The 1,000 most traded National Market securities  
In terms of dollar value, updated twice a year.  
The Associated Press.

*The Associated Press.*

**NYSE**

**Wednesday's 4 P.M. Close**  
**(Continued)**

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**Wednesday's 4 P.M. Close**  
The 150 most traded stocks of the day,  
up to the closing on Wall Street.

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**THEY SAY THERE ARE NO HEROES**

**any more. But they're there.**

**Walk down any street and  
you will find them. The  
mothers who work, the fathers  
who strive, the children who  
overcome. They aren't larger  
than life, but they are larger  
than their own lives. Their  
names aren't famous, but  
their virtues are. Hard work.**

**Common sense. An unshakable  
belief in themselves. If you're  
looking for a hero, look around.**

**HUMAN ACHIEVEMENT**



**Merrill Lynch**

# A European Recipe for Increasing Your Returns: Just Add Water

Washington Post Service

WASHINGTON — Here is an idea for a great business. The product is something everyone needs. In fact, after a few days you die if you don't have it. Its uses are nearly unlimited: industrial, recreational, culinary, medicinal. There's a limited supply, and an increasing demand.

Meanwhile, the industry is dominated by sluggish, bureaucratic players, with rundown facilities, poor marketing and little knowledge of the rudiments of the competitive marketplace.

The industry is water: treating it, purifying it, providing it. We're not talking about designer water in bottles, but the stuff that comes out of the tap or washes sewage down the toilet. In the United States, it is a business that generates more than \$80 billion a year in rev-

enue, four times the sales of Microsoft Corp.

But "business" isn't quite the right word. "About 85 percent of our drinking water, and an even larger percentage of waste water services, are provided by municipal-owned systems that mainly serve local communities," writes John Milner, an analyst for Value Line Investment.

But these municipalities have a big problem. The 1996 Safe Drinking Water Act, plus

other federal and state laws, requires them to renovate their crumbling systems. Many cities don't have the money or the access to capital, so they are turning to profit-making corporations either to run the facilities or to buy them out and rebuild them.

Meanwhile, the Europeans are far ahead of the United States. The French company Vivendi last month announced it would buy United States Filter Corp., which both runs water plants and provides

water engineering for other utilities. That will make Vivendi, whose American depository receipts (ADRs, similar to normal shares of stock) trade on the New York Stock Exchange under the symbol VVDIY, the largest water company in the world, with 75 million customers.

Vivendi is a great company, and it looks like it's getting a great deal in U.S. Filter, paying \$31.50 per share for a company that traded as high as \$43.75 in 1997.

Vivendi began life in 1853 as a limited partnership called Compagnie Generale des Eaux (General Water Company), with investors that included the Rothschild family. It soon became a wildly diversified conglomerate with interests in waste incineration, publishing, Internet services, real estate, amusement

parks and railroads.

In 1996 Jean-Marie Messier took over as CEO, changed the firm's name and began concentrating on telecommunications, waste treatment and water. Earlier in the decade, the company had expanded into Latin America and Asia, but Mr. Messier drew a bead on the United States, which has only just begun to privatize water. Investors responded enthusiastically, bidding the price of Vivendi's stock up from \$17 in October 1996 to \$58 in January 1999.

France is also home to the world's second-largest water company, Suez Lyonnaise des Eaux, formed through a 1997 merger between the company that built the Suez Canal (and then became a bank) and a water company with operations in the United States, Australia, Russia,

Brazil, Spain and more. Suez, which trades on the Paris Bourse under the ticker symbol LY, is a favorite of David Marcus, co-manager of Franklin Mutual Discovery, one of the Mutual Series funds that used to be run by Michael Price, the bargain hunter.

In fact, the Mutual Series funds — including Mutual Shares, Beacon and Europe — owned, at last count, about 3 percent of Suez's shares, making them, in the aggregate, one of the firm's top five stockholders.

Suez has "tripled our money, and it's still cheap," Mr. Marcus said during an interview in New York recently. What excites him is that Suez, like Vivendi and several other well-established European conglomerates, is finally adopting American methods, sharpening its focus and aiming

to benefit shareholders, not just managers.

So it's not just the water business. It's the idea that Suez, under its highly regarded chairman, Gerard Mestrallet, is learning to make profits, rather than just employ people. In this endeavor, it has a lot in common with other companies in which Discovery has put its shareholders' money.

One of those is Investor AB, the Stockholm-based firm controlled by the Wallenberg family, with large stakes in such Swedish companies as LM Ericsson AB, the electronics giant; Saab AB, aerospace; and SKF AB, the world's largest ball-bearing maker.

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Another is Montedison

SP-A (whose ADRs trade under the symbol MNT), an Italian company with interests ranging from electricity and chemicals to beers and margarine. And then there's Compagnie Financiere Richemont AG, a Swiss firm with holdings in tobacco, luxury goods and the direct-marketing business (the ADR symbol is RCHMY).

These companies may still

have a long way to go before they reach U.S. levels of efficiency and profitability. But Mr. Marcus is convinced they are getting there. He believes Europe is loaded with bargains, wonderful firms that have become encrusted with barnacles, just now being scrubbed off, the way they were here starting in the early 1980s. And in some fields, such as utilities, Europe is ahead of this country in using

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The undersigned signatures that as from 16 April, 1999 at Ken-Sociaal N.V. Spijkenisse 17, Amsterdam, the Certificate of Schlumberger Limited resp. 5 shares of coupon stock of \$38 0.01 per value will be payable with Euros 0.90 per value per Certificate resp. 5 shares with Euros 18.00 per value per Certificate resp. 100 shares (div. per rec-0.220.94 - \$40 0.1875 per share).

The dividend distribution is not subject to tax holding at source.

ARTESIA  
ADMINISTRATIEKANTOOR B.V.  
Formerly Partus Administratiekantoor S.V.J.  
Amsterdam, 6 April, 1999

## A Bad Quarter for Two Billionaires' Funds

Bloomberg News

NEW YORK — The billionaires George Soros and Julian Robertson are losing money for investors so far in 1999.

Soros Fund Management's \$6.9 billion flagship Quantum Fund lost 15.5 percent of its net assets in the first quarter, according to people familiar with the performance of the fund. That follows three years in which Quantum, managed by Stanley Druckenmiller, lagged the Standard & Poor's 500

stock index and the more than 30 percent annual average returns that investors had come to expect from the fund.

Mr. Robertson's Tiger Management LP lost 7.5 percent of net assets in the first three months of the year as its U.S. stock holdings languished, according to investors.

Quantum and Tiger are "macro" funds that can invest in global stocks, bonds, currencies and commodities, and "all the major macro players are

having a difficult time," said Michael Simon, director of research for New York-based Optima Fund Management, which invests in hedge funds.

Many typical holdings of these funds — investment pools for the wealthy and institutions — performed poorly in the first quarter.

Quantum and Tiger have provided few details about the first-quarter losses, investors in the funds said.

Officials at Tiger and Soros Fund Management declined to comment.

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For information please contact,  
Lyons Real: Fax: (331-41 43 92 12 or 618-funds@ihf.com)

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## Picks With a Bit of Risk

Washington Post Service

WASHINGTON — For the independent-minded investor, Salomo Smith Barney suggests 15 diverse stocks with "moderate to above-average risk."

The list includes: BankAmerica Corp.; Cisco Systems Inc., Internet routers; CNF Transportation Inc., trucking and air freight; Compaq Computer Corp.; LM Ericsson Corp., microchips; Masco Corp., building products; McDonald's Corp., fast food; Pfizer Inc., drugs; Philip Morris Cos., tobacco and food; Promus Hotel Corp.; Raytheon Co., defense electronics; Schlumberger Ltd., oil service; and Temple-Inland Inc., timber products.

JAMES K. GLASSMAN

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WORLD ROUNDUP



Richard Krajicek hitting a backhand to Takao Suzuki.

Rafter Tumbles

**TEENNIS** Pat Rafter, the world No. 5, continued his dismal run Wednesday when he lost in the first round of the Hong Kong Open. Rafter fell 6-7 (4-7), 7-6 (7-1), 6-2 to Bernd Karpacher. Rafter has a 6-7 record in 1999. In another match, Richard Krajicek beat Takao Suzuki, 6-4, 6-4. (AP)

• Sonya Jeayeselan, a Canadian ranked 140th, came from behind in both sets Tuesday to beat Venus Williams, 6-4, 7-6 (8-6), in the second round of the Busch & Lomb Championship at Amelia Island, Florida. (Reuters)

Redskins Bid Withdrawn

**FOOTBALL** Howard Milstein withdrew his \$300 million bid Wednesday to buy the Washington Redskins when it became apparent his group lacked support from NFL owners. The bid from the New York property developer was the highest ever for a U.S. sports franchise. The league expects Milstein's partner, Daniel Snyder, to make another bid with a different group, leading to another round of bidding. (AP)

Big-League Salaries Rise

**BASEBALL** The average major-league salary has risen nearly 20 percent in 12 months. The average was above \$1.7 million a year on opening day, up from \$1.44 million at the start of last season, according to The Associated Press, which studied the contracts of 830 players on opening-day rosters.

Albert Belle, the Baltimore outfielder, was the highest-paid player on opening day for the third straight season, earning \$11,949,794.

The New York Yankees, the defending champions, had the highest payroll ever, \$85.1 million. (AP)

Australia Retains Trophy

**CRICKET** Australia beat the West Indies by 177 runs to win the fourth and final test in Antigua on Wednesday. The Australians leveled the series at 2-2 and retained the Frank Worrell Trophy, which they have held since 1995. (AP)

New Olympic Diplomats

The International Olympic Committee said Wednesday that Henry Kissinger, the former U.S. secretary of state, Peter Ueberroth, the head of the 1984 Games, and Anita DeFranzis, an IOC vice president from the United States, had accepted appointments to a panel to restructure the IOC in the wake of the Salt Lake bribery case. (AP)

Sabres Gain Playoff Spot

**ICE HOCKEY** The Buffalo Sabres clinched a playoff berth with a 4-3 victory against the New York Islanders in New York on Tuesday. Buffalo moved into a tie for seventh with Boston in the Eastern Conference, one point behind Philadelphia and Pittsburgh. (AP)

**Tiger Is Not No. 1, but He Likes His Chances at Augusta**

By Clifton Brown  
New York Times Service

**AUGUSTA, Georgia** — At Tiger Woods's news conference the first question referred to David Duval.

It was a different atmosphere from last year, when Woods arrived at the Masters as the defending champion, the clear-cut favorite and the center of attention. Since then, the spotlight has shifted. Mark O'Meara has replaced Woods as the reigning Masters champion. Duval recently replaced Woods as the world's No. 1-ranked player. And Duval, with four victories already this year, has replaced Woods as the favorite this weekend.

So as Woods prepared for Thursday's opening round at Augusta National Golf Club, motivation was not a problem. Woods is not a No. 2 kind of guy. For

many reasons, he wants another green jacket, and if he has to stare down Duval on Sunday to get it, so be it.

"If I'm in the lead with nine holes to go, I like my chances," Woods said Tuesday. "David's not going to play as Tiger vs. me, and I'm not playing against David. I've got to play against the golf course as well as the rest of the field."

"If we're tied for the lead with nine holes to go, then that's the way it is. It would be nice to play against the best player in the world right now. But if it doesn't happen, and I can still win, a win's a win. I'll take a second green jacket anytime."

Woods won in 1997 by a record-setting 12 strokes, setting a tournament record (270) in the process. He makes no secret of scheduling his year, and his life, around the year's four major champion-

ships. He has money, he has fame, but what he wants most from his career is a place in history, and winning majors is the path to that goal.

Instead of defending his title at the BellSouth Classic, which Duval won, Woods was last week at home, working with his coach, Butch Harmon, and mentally preparing for this week's challenge.

But Woods appeared far more relaxed than last year, when he finished tied for eighth place and seemed burdened by the weight of defending his championship.

"I think he'll be a lot more comfortable at Augusta this year," Harmon said recently. "But like he has said before, he enjoyed putting the green jacket on Mark last year. This year, he'd like Mark to put the green jacket back on him."

For that to happen, there are two keys for Woods: driving accurately and mak-

ing putts. His length off the tee gives him a tremendous advantage at Augusta with its wide fairways. But if Woods drives the ball erratically, he will have trouble attacking the fast and undulating greens, where positioning is crucial.

Secondly, Woods has not putted recently with the precision and confidence he showed in 1997, when he played the Masters without a three-putt. In the past 18 months, Woods has had 18 top-10 finishes, but only two victories. A few more putts would have equaled a few more victories.

"It's frustrating from the standpoint that I was playing well, but not getting the victories," Woods said. "It hasn't been one of those stretches where I'm making shots at the right times. But I'm more consistent all around."

Augusta remains a place that plays to

Woods's strengths. Having seen the changes at Augusta — the new tees at No. 2 and No. 17, the new green at No. 11, and the new trees at No. 15 — Woods says he believes the course favors longer hitters even more.

What Woods wants is to play well enough to at least give himself a chance on Sunday. Having won at Augusta before, Woods believes he can handle the pressure.

"That gives you confidence down the stretch, when you're a little nervous, hands sweating, eyeballs beating," he said. "You can summon enough strength to do it, because you've done it before."

"It's a major, a little different story than playing the regular tour event. I really grind and get ready. Because that's really what it's all about — winning the big ones."

**Parma Gives Madrid Coach Tough Return**

Compiled by Our Staff From Dispatches

"Welcome home Radomir" read the banners draped around Atletico Madrid's stadium.

But Parma ensured that Radomir Antic's first home match in his second spell as coach at Atletico was less than triumphant.

The Italian team won the UEFA Cup semifinal first leg, 3-1, Tuesday. Twelve

EUROPEAN SOCCER

months ago, Atletico lost, 2-1, to Lazio at home in a UEFA Cup semifinal, a defeat that contributed to Antic's dismissal at the end of last season. Antic returned two weeks ago after Arrigo Sacchi and Carlos Aguirre had come and gone since last summer. In his first game, Atletico drew at Coruna.

On Tuesday, exhilarating attacking play could not make up for fatal lapses in concentration and poor defending. Enrico Chiesa scored twice for Parma. Juminho scored Atletico's only goal but also missed a penalty after 73 minutes.

"The players made a great effort. We bad bad luck with two of the goals coming from corners," Antic said.

In Marseille, Bologna, seeking its first trophy in 25 years, earned a 0-0 draw against Marseille in the first leg of its UEFA Cup semifinal.

The match was largely fought in midfield, and both teams mostly were restricted to long-range efforts.

Bologna's defense was too well-organized for an unimaginative Marseille team. Bologna had several opportunities to score an away goal, the best of them

scoring an away goal, the best of them

## SPORTS

# \$80 Million Mo Vaughn Hurt Chasing a Pop-Up

Despite Loss of Slugger, Angels Beat Indians

The Associated Press

Mo Vaughn's debut with the Anaheim Angels took an odd twist when he sprained his left ankle chasing a pop-up into the dugout.

Vaughn hurt himself two batters into the home opener Tuesday night, limped

AL ROUNDUP

around for five innings and then left in the Angels' 6-5 victory over the Cleveland Indians.

X-rays showed no break. It is not certain how long Vaughn, the slugger who signed a six-year, \$80 million, contract as free agent during the winter, will be sidelined.

The Angels, with a long history of bizarre injuries, lost the shortstop Gary DiSarcina in a spring-training accident. He broke his forearm when he was hit by a fungo bat swung by George Hendrick, a coach, and is now on the disabled list with the center fielder Jim Edmonds.

Vaughn was injured when he landed awkwardly in the Indians' dugout trying to catch a foul pop by Omar Vizquel. The first baseman went 0 for 2 before he left

the game. Tim Salmon and Garret Anderson hit consecutive home runs off Jarret Wright in the Anaheim fourth.

Vizquel had a two-run homer and a run-scoring single for the Indians.

**Yankees 7, Athletics 4** (Orlando, FL) (Dague) Hernandez pitched three-hit ball for seven innings as New York won at Oakland.

New York got off to a quick start when Chuck Knoblauch led off the game with a single, Derek Jeter followed with a triple and Paul O'Neill hit a sacrifice fly.

Chad Curtis homered in his first at-bat of the season, and Hernandez protected the lead thereafter. The Athletics scored three times in the eighth to make it 5-4, but O'Neill hit a two-run double in the ninth.

**White Sox 11, Mariners 3** Ray Durham left off the game with a home run, and Darrin Jackson and Jeff Abbott also connected for Chicago in Seattle.

Jackson homered for the second straight day and had four hits. The Twins started four of their 10 rookies. After the game, the manager Tom Kelly put his young team through a brief fielding workout.

**Twins 6, Blue Jays 1** Brad Radke made



David Wells, a Toronto pitcher, blowing a bubble at pregame ceremonies.

good on Minnesota's "guarantee" of a victory — had the Twins lost their opener at home, all 45,601 fans would have been able to get a free ticket to another game.

Jim Fregosi lost in his debut as Toronto manager.

The pinch-hitter Brent Gates's two-run triple capped a six-run seventh.

The Twins started four of their 10 rookies. After the game, the manager Tom Kelly put his young team through a brief fielding

workout.

through with another strong April start as host Texas shut down Detroit.

Sele, who had a 6.46 earned run average in five spring-training games, pitched seven innings and allowed six hits.

He is 14-3 lifetime in April, including 5-0 last year.

Sele and the relievers Tim Crabtree and Danny Patterson combined on a shutout a day after the Tigers won, 11-5, on Opening Day.

**Twins 6, Blue Jays 1** Brad Radke made

# Maddux Swats a Homer As Braves Beat Phillies

The Associated Press

For a change, Greg Maddux liked being involved in a home run.

The four-time Cy Young Award winning pitcher doesn't give up that many — an average of just nine per season over the last five years.

On Wednesday, he hit one as the Atlanta Braves beat the visiting Phil-

NL ROUNDUP

adelphia Phillies, 11-3. "It was just flat out luck," said Maddux, who homered leading off an eight-run fourth and hit a two-run single later in the inning.

"It got us pumped up," Brian Jordan said. "No one expected it, and he really hit it a long way."

"The two-run single. That was lucky, too," Maddux said. "It just found a hole."

Maddux, a .176 hitter, set a career high with three runs batted in — one short of his total last season in 75 at-bats.

The homer off Chad Ogea was the third of Maddux's career, and his first since 1992.

Maddux allowed one run and eight hits in six innings. Derrin Ebert made his

major league debut and pitched three innings for a save, allowing two runs.

**Dodgers 3, Diamondbacks 2** Gary Sheffield hit a one-out homer in the 10th inning to give Los Angeles the victory at Dodger Stadium.

**Astros 4, Rockies 3** Tony Gwynn had two hits and scored twice, and Wally Joyner was 3-for-4 as the NL champions' played their first game in San Diego this season. Sterling Hitchcock allowed one run and three hits in 5 1/3 innings.

**Mets 12, Marlins 3** Mike Piazza hit a two-run homer, and Rick Reed allowed one run and four hits in six innings at Miami. Allen Watson pitched three innings for his first major league save.

**Giants 7, Reds 6** Barry Bonds homered, singled and doubled home the go-ahead run in the eighth, as San Francisco rallied from a 6-0 deficit to win in Cincinnati.

**Pirates 8, Expos 2** Jason Schmidt allowed one hit in seven innings, and Brian Giles homered and drove in three runs as Pittsburgh beat visiting Montreal.

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#### WESTERN CONFERENCE

#### WESTERN DIVISION

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## ART BUCHWALD

### The Giddiness of It All

NEW YORK — There was a time when only J.P. Morgan was a financial genius. Now that the Dow Jones is hovering around 10,000, everyone considers himself or herself a genius.

*Dinner at the Glockmans* is typical of what is going on in America's living rooms.

Beach, who usually bored us with the details of his most recent golf game said, "I bought 100 shares of Bethlehem Steel. *Buchwald* sold 89 shares of No Fizz Water and told my broker to go after Crucible Windows if it hit 30."

Dubow said, "I'm in mutual funds, but I'd like to get into something more comfortable."

I asked a woman at the party: "What do you do?"

"I buy soy beans and use my profits to invest in sugar futures."

"Where do you do that?" "On my computer at home. I might make 15 transactions a day. The trick is to keep looking at your screen until it's time to hit the sell button."

"Are you making a lot of money?"

"At the moment I'm in the red, but there's always tomorrow."

The conversation came around to how many geniuses were playing the market — not just brokers and investment bankers, but taxi drivers and people who sell hot dogs in ball parks and telephone salesmen and airline porters.

"Suppose the Dow Jones goes down," I said.

"It won't go down," Beach said. "As long as inflation is bottoming out and pork bellies are going through the roof, we all stand to make a fortune."

"Why?"

"Because financially, as a group, we're the best and the brightest."

### New Clues in Search for Velazquez

*The Associated Press*

MADRID — Historians poring over brittle, yellowing maps say they have located the remains of the Spanish master painter Velazquez — give or take a few meters.

If confirmed, the discovery would fit in nicely with officials' hopes of marking this year's 400th anniversary of Velazquez's birth by giving his bones a more elegant resting place than under a street in central Madrid.

This much has been known for centuries: Diego Rodriguez de Silva Velazquez, who died in 1660, was buried in a vault beneath the Church of St. John on the site of today's Ramblas Square, near the Royal Palace.

The church was torn down in 1808, when Napoleonic forces ruled Spain. Archaeologists have dug twice to try to find the Velazquez crypt — in 1845 and in 1960, but were unsuccessful. The reason, the historian Manuel Montero Vallejo told *El País* newspaper, is that the maps they were using were slightly off. Montero Vallejo, leading a team of independent historians, says with blueprints of the church and other centuries-old documents they have pinpointed the burial site to within two meters.

## Behind the Mask of Mrs. Vladimir Nabokov

By Katherine Knorr  
*International Herald Tribune*

PARIS — Vladimir Nabokov was, if not necessarily a true eccentric, certainly an eccentric mix of intellectual and frondeur, an exquisite writer, an exacting reader, a raconteur of doubtful stories, a committed lepidopterist, a brilliant mind and something of a child. Those who knew him remember also the mysterious eccentricities of his marriage, in which his wife, Vera, protected him from publishers, fans and family, sat through his famous college lectures as prompter and blackboard eraser — and indeed much of the time acted almost as his double.

Writers' wives form a literary subgenre all their own: There are the saints with the souls of scoundrels and the sinners who entertain the great man's thirst, there are the decorative ones, the venal ones, the political ones, the prison guards and the budding biographers, and of course there are the ones who believe they really wrote the books.

Mrs. Vladimir Nabokov, as she signed herself, fit into none of these categories. She was from the beginning a symbiotic partner to her husband, who became absolutely necessary to his art.

This is not, as Vera Nabokov would have been the first to say, to diminish his genius, simply to acknowledge that their extraordinary relationship, both emotional and intellectual, gave him the room and the atmosphere to create a body of work that depended on the minutiæ of memory and exquisite, cosmopolitan games of language and mirrors.

"It was clear to me she was the greatest influence on the greatest or one of the greatest writers of the century," said Stacy Schiff, the author of "Vera (Mrs. Vladimir Nabokov)," to be published this month in the United States and Europe, on Nabokov's 100th birthday. "When people talked about her they made it clear she was

remarkable, but they didn't seem to know much about her."

If they knew little about her, it was because the Nabokovs played a complicated game of masks and shadows (as he did in his books) that shielded their private lives.

He was, of course, by profession an embroiderer, and she a sometimes painfully frank woman who preferred to leave much unsaid. (When she gave birth to their son, Dmitri, in 1934, it came as a shock to almost all who knew her, so well had she hidden the pregnancy.) She was beautiful, sharp-edged, disputatious, tireless, tough and practical. She did the driving, she car-

"Everybody thought she was ferocious," said Schiff, speaking by telephone from New York, "but she was very shy" and spent a lot of her life trying to avoid meeting new people. "Different people saw a different woman. I wanted to keep that intact." Vera lived in camouflage — she was even in camouflage physically when, as fate would have it, her blond hair suddenly turned a stunning white.

"People were fascinated by her looks," Schiff said. "That young translucent skin and the white hair."

"Early on I realized that writing about Vera was an oblique — and very revealing — angle from which to approach V.N.," she said. "To begin to pry these two apart was to reveal the figure in the carpet. Insofar as we read biography to connect art and life, Vera was the crucial link. Her story might not reveal new layers in the art, but it would tell us a great deal about her husband."

She was born Vera Evseevna Slonim in 1902 in St. Petersburg. As with the Nabokov family, the Slonims fled the Bolsheviks. They were both raised in solid comfort but unlike Nabokov, whose family was part of the high Russian gentry, Vera was a Jew, the daughter of a lawyer who became a tile manufacturer and a lumber merchant and who fought the Russian bu-



Vera and Vladimir Nabokov in Switzerland in 1968. *Philippe Halsman/Magnum Photos*

reacuracy for 13 years for the right of permanent residency in St. Petersburg. It was during their lives forever.

The Nabokovs married in 1925 in Berlin, beginning the long shared exile in Germany and France. After much of the hideous suspense associated with Nansen passports (for refugees) and marching Germans, they left for the United States in 1940.

For the next 15 years they were nomads in America, where Vladimir (reluctantly) taught literature classes so memorable that former Wellesley and Cornell students many years later formed what Schiff called a "Greek chorus," describing the quirky and brilliant man with a roving eye and an ever-present wife whom he referred to as his "assistant." "This couple made an amazing impression," she said. "Lolita," published in the United States in 1955 and an almost

Vladimir Nabokov, his best critic and a fierce literary agent. She drove him, motel after motel, across the America he was to reproduce in "Lolita." She shared his passion for butterflies, and they perch wings elegantly trembling, throughout the biography as they do throughout his books. "She took a very traditional female role and made it what she wanted it to be," Schiff said. She survived her husband for 14 years, protecting the legacy and the legends until her death in Switzerland in 1991.

"The book, it seemed to me, amounted as much to a portrait of the Nabokovs as to an essay about the limits of biography," said Schiff, who previously published a biography of the French writer and aviator Antoine de Saint-Exupéry. "Things were rarely what they seemed, and when they were no one believed it. This play of mirrors often seemed right out of V.N.'s fictions."

What Vera Nabokov might have thought of this book is anyone's guess. She appreciated people who appreciated Nabokov, and she would have noticed Schiff's close reading and maybe even enjoyed the way her masks could not all be removed.

Nabokov himself made biographers the butt of many of his sharpest portraits. Even the more gentle mockery goes after the biographer's "art": In "Speak Memory," he remembered himself as a young man playing a present game: "For instance, Lidia or I... might say, on the terrace after supper: 'The writer liked to go out on the terrace after supper,' or 'I shall always remember the remark V.V. made one warm night: 'It is,' he remarked, 'a warm night.' Or still sillies: 'He was in the habit of lighting his cigarette before smoking it,' and all this delivered with much pensive, reminiscent fervor which seemed hilarious and harmless to us at the time, but now — now I catch myself wondering if we did not disturb unwittingly some perverse and spiteful demon."

## PEOPLE



Johnny Cash, fourth from right, and friends singing at his tribute concert. *Mark Lennihan/The Associated Press*

THE singer and songwriter Johnny Cash gave a rousing performance at a television tribute, the first time he has appeared on stage since being diagnosed with a degenerative nerve disease. The 67-year-old singer delivered his well-known hits "Folsom Prison Blues" and, as a finale, "I Walk the Line." Joining him were musicians who have performed with Cash over his long career, including his wife, June Carter Cash, Willie Nelson, Kris Kristofferson, Trisha Yearwood, Brooks & Dunn, Chris Isaak, Marty Stuart, Lyle Lovett, Emmylou Harris, Sheryl Crow, Mary Chapin Carpenter, Wyndell Jean, Dave Matthews and the Mavericks. Cash was diagnosed in late 1997 with Shy-Drager syndrome, which attacks the central nervous system. The tribute will be shown on Turner Network Television on April 18.

The eccentric basketball star Dennis Rodman and his wife, Carmen Electra, an actress, have called off their marriage quits — again. Their publicist said that they had agreed to end their six-month

marriage under amicable circumstances and that they had filed divorce papers in court on Tuesday. They were married in Las Vegas on Nov. 14 after what was reported to be an all-night drinking session. Nine days later, Rodman filed for an annulment, saying he was of unsound mind when he recited his vows. But at a news conference in February, Rodman said he and his wife were happily married, living in separate homes.

Ewan McGregor says playing the young Obi-Wan Kenobi in the new "Star Wars" movie wasn't all swords and special effects. Some of the filming was "the epitome of tedium," the actor is quoted as saying in the London newspaper *The Express*. "The work was so complex with all the special effects and stuff that I found myself hanging around for days," he said. "I was frowning a lot. It became just a frowning exercise." The George Lucas movie, "Star Wars: Episode I — The Phantom Menace," is the first installment in the three-part prequel to the blockbuster space trilogy.

It comes out next month. Boredom didn't stop McGregor from signing up for the two other "Star Wars" movies that are to be completed by 2005. "I guess I'm just an actor who can't say no. Besides, there's nothing cooler than being a Jedi knight," he said.

The former heavyweight boxing

champ Mike Tyson, who is serving a prison sentence for assault, may have picked up his rival Evander Holyfield's ear for music. Tyson has created his own music label under the DeFlam rap house, the New York Daily News reported. Holyfield, who lost a piece of his ear to Tyson's ferocious bite in a 1997 match, recently launched his own Real Deal Record label.

### U.S. Opens a Film Preservation Project

*The Associated Press*

WASHINGTON — The National Film Preservation Foundation and the National Endowment for the Arts have announced a \$1.5 million project to preserve hundreds of movies, such as Paul Robeson's "The Emperor Jones" and Frank Capra's World War II series "Why We Fight."

The Treasures of American Film Archives is being financed by the foundation, the endowment and the Pew Charitable Trusts in Philadelphia. The American Film Institute and other industry groups have also contributed. Seventeen archives will take part, including five federal agencies.

Other films to be preserved are a collection from the laboratories of Thomas A. Edison, footage taken by the anthropologist Margaret Mead and some taken of the Duke Ellington Orchestra from 1938 to 1941 by the baritone saxophonist Harry Carney.



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